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Agriculture Committee
September 12, 2013

[LR271 LR290]

The Committee on Agriculture met at 5:30 p.m. on Thursday, September 12, 2013, in the Ainsworth Conference Center, Ainsworth, Nebraska, for the purpose of conducting a public hearing on LR271 and LR290. Senators present: Ken Schilz, Chairperson; Norm Wallman, Vice Chairperson; Dave Bloomfield; Tom Hansen; Burke Harr; and Jerry Johnson. Senators absent: Ernie Chambers, and Steve Lathrop.

SENATOR SCHILZ: Good evening, everyone. Thank you for giving us the opportunity to come here to Ainsworth and sit down and talk about LR, what is it, 271 and LR290, LR271, Senator Davis' legislative resolution to explore and discuss the possibility of a statewide brand area; and LR290, which would look at creating a brand inspection service area outside of the brand area as it is now. Like I said, thanks for coming out tonight. I see the room is packed. We're going to...we don't really have a great mike system tonight so we're going to try to go without it and let's just see. Can everybody hear me?

(AUDIENCE): No.

SENATOR SCHILZ: (Laughter) Well, come on up. Sit right here.

(AUDIENCE): You probably don't have anything to say that amounts to a damn anyway.
(Laughter)

SENATOR SCHILZ: And off we go. Okay. Let's start there. Let me make a few introductions first. I'd like to introduce you to the Ag Committee here. I'm Ken Schilz, Chair of the Ag Committee from Ogallala. I represent the 47th District, which is ten and half counties basically in the southern Panhandle and Keith County. And we'll just go around the room. To my right, when he gets back up here, is Research Analyst Rick Leonard. He was the one, him and Jamaica Erwin over there, who's our committee

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clerk, they got this all set up, did all the work, so I'd like to say thanks to them for making this all possible and for getting this all arranged. So we really appreciate that. I'll just start down there. Clear to my far right is Senator Jerry Johnson from Wahoo; to his left is Senator Norm Wallman, the Vice Chair of the committee from Cortland; Senator Tom Hansen from North Platte; Senator Burke Harr from Omaha. There we go, we got an Omaha guy out here. How often does that happen? And then next to him is Senator Dave Bloomfield from Hoskins; and Jamaica Erwin, the committee clerk; and Rick Leonard, the research analyst. I'd also like to introduce Senator Al Davis from Hyannis. He's here in the front and I'm hoping he'll come up here to be part of the panel as well. With that, let's just go through a few housekeeping things. We're going to try to make sure that everybody can hear, so if everybody can, you know, keep as quiet as possible during the testimony, that will help a lot. One thing that's a little bit different about this hearing compared to a hearing on a bill is that we don't have proponents or opponents in a certain order or anything. What we'll do is people, as we go along, can just come up. They can testify whatever their position is, whatever they want to do. I would ask that if you are going to testify to listen to who comes before you. And if some of your thoughts have already been spoken, please try to edit your testimony to make sure that we don't take up a whole lot of time. You know, there's a lot of people in the room. Everybody, you know, we want to make sure that everybody, who wants to have their say, gets their say. So we'd like you to keep it as brief as possible but still get us the information that we need to know about what you want to deliver to us, so...and we appreciate that. If you have any cell phones, it would be a great idea if you could shut them off now or put them on silent. It can be distracting and we got a lot of work to do here. The hearing is scheduled from 5:30 till 8:00 and so we're going to put a pretty hard line on that. So I would just say to everybody, let's get going. But what I'd like to do first is Mr. Leonard will go ahead and introduce LR290, then Senator Davis will come up and introduce LR271, and we'll just talk about it kind of all together. So we'll get started that way and we'll see where this goes. Rick, would you like the microphone?

RICK LEONARD: Thank you, Senator Schilz and members of the committee. As

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Senator Schilz mentioned, my name is Rick Leonard, the research analyst for the committee. I'd just be brief. We had two interim studies somewhat related, LR291...LR290 and LR271. Probably LR271 is the one that most people are talking about. But as you recall, last session we were looking at a couple brand bills. And one of the potential things we were looking at was an idea that we thought we'd throw out and maybe see if there was any comment on that from the public with regard to making...we were looking at, in the counties that are adjacent to the brand area but on the outside, would there be any value or any demand for brand inspection services that would be available, would not be mandatory as they are in the brand inspection area, but that we would make the brand inspection look at if there's any value in making that brand inspection service available on the same terms as if you were in the brand area. The major issue here though likely is LR271, which is Senator Davis' resolution to look at the issues involved if we were to expand the brand area statewide. I'd just mainly introduce you to the items in front of you. I put together briefing items for the committee with a number of reference items I think might be helpful to you, as you're listening to testimony and looking at this issue, of the brand area history. If there are any questions, other than that, I'll hand it over to Senator Davis. [LR290]

SENATOR SCHILZ: Thank you, Rick. Senator Davis, welcome. [LR290]

SENATOR DAVIS: Thank you, Senator Schilz. I'll try to move through it as quickly as possible. I am Senator Al Davis, A-I D-a-v-i-s, representing the 43rd Legislative District. (Electronic device noise) I think you told me to turn those off, didn't you? Last winter I introduced LB654 with the objective of developing a unified brand inspection program across the entire state of Nebraska. I believe all the senators here were in attendance at that hearing in Lincoln. As you recall, we had a significant amount of interest in the bill and general support from large numbers of ranchers who resided within the brand area and several whose operations were east of the brand line who also felt that moving to a unified brand inspection structure across the state would provide additional security for livestock owners, and that the benefits far outweigh the costs of additional security for

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livestock owners. Gary Darnall, a cow-calf and feeder from extreme western Nebraska and the former president of the Nebraska Brand Committee, led off the testimony that day explaining why he felt that it was time Nebraska developed a unified approach to cattle inspection across the entire state. Farm Bureau, Nebraska Farmers Union, and the Independent Cattlemen of Nebraska also contributed testimony in support of LB654. We also had testimony from employees of sale barns, both inside and outside the brand inspection area, who are very supportive of statewide brand inspection. I want to thank Senator Schilz and the committee for their support of LR271, which calls for an interim study on the development of uniform brand standards across the state of Nebraska. There are a number of very valid reasons to consider modifying the law in Nebraska and moving to statewide branding. I don't want to completely repeat what was said in February, but I do want to refresh the memory of the committee members about why I believe it is appropriate to move towards statewide branding. If you have been following the news recently, you may not be aware that Nebraska is predicted to eclipse Texas as the number one cattle, cattle-feeding, and cattle-marketing state over the next five years. With that in mind, it is even more important that Nebraska enact legislation which safeguards ownership and offers security to bankers, feeders, and ranchers, since the entire state will benefit greatly from this remarkable development in the livestock industry. First and foremost, the issue is not about cattle brands. There is nothing in Nebraska statute which requires any livestock owner to brand his animals. What is required is proof of ownership. Proof of ownership is the fundamental principle on which the nation was built--private property rights. Live animals are mobile creatures who move about on their own and often with or without the help of honest and dishonest individuals so they can stray or disappear from one ranch, only to resurface at a neighbor's or sometimes at a local or a distant sale barn. While laws are in place in Nebraska which require bills of sale and the like to transfer cattle, in reality that activity only takes place west of the brand line. Steve Stanec, CEO of the Brand Committee, submitted an answer to the committee which dealt with title and ownership of animal east and west of the brand line. Under Statute 54-1,116, livestock sold anywhere in the state are to be accompanied by a bill of sale or brand inspection certificate, and all

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persons possessing livestock have a duty to exhibit a bill of sale or brand certificate upon demand of any person. Stanec stated that there is only a 50 percent compliance of this statute from the nonbrand inspection area at the Kearney, Nebraska, auction market and packing plant. At the Alma Livestock market, only 4 of 21 cattle deliveries from the nonbrand area were able to produce a bill of sale for the brand inspector when requested. When the Nebraska brand area was established in the '40s, the transport of animals was completely different. Most animals are shipped on rail cars to town to be finished, and the animals moving around within the state were usually being pushed by cowboys on horses. Accordingly, there were only a few pressure points where a theft could and did take place, largely on a much more local basis. Today the border is extremely porous due in large part to the change which technology has brought to the industry. Pickups, portable panels, livestock trailers, and four-wheelers have modified the entire method in which animals are transported. Cattle move into and out of Nebraska on large semitrucks, and animals are often transported hundreds of miles for better markets, better grass, or to bring them to slaughter or to a feedlot. That's why it is time to really reconsider how we are going to track ownership in the twenty-first century and beyond. On the theft side, with a set of portable panels, a horse trailer, and a four-wheeler, animals can be rounded up, loaded, and transported quickly into another state or into the nonbrand area. A bill of sale can be easily forged for the dishonest individual, and the cattle can be sold and gone even before the actual owner knows he is missing livestock. Cattle are very valuable. A trailer loaded with ten bred cows might bring \$20,000, so we're not talking small amounts of money. Doug Ferguson, a livestock purchaser from Senator Wallman's district, told the committee last February about an individual who bought cattle at one barn and sold them in another before he even paid the first sale barn for the purchase. With brand inspection across state lines, we would reduce the occurrence of these events significantly and add value and security to the sale barn and to the livestock owner, since the brand inspector issues title to the cattle. Greg Koinzan spoke to that issue at the February hearing, and I would strongly suggest that you review his testimony when considering why this bill is so important. Steve Stanec also gave the committee other excellent information in response to questions by

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Senator Schilz and Rick Leonard. In the past five years, the criminal investigative division has obtained criminal investigations involving 669 head of cattle, valued at \$452,000, but they've also recovered through the inspection process 9,066 head of cattle, valued at \$7,872,000 for over 3,574 producers. Since August of 2011, the committee has repatriated 107 head to livestock owners in the nonbrand area and 127 head out of state. These figures demonstrate why it is accomplished...what is accomplished to provide security to livestock owners in the brand area. We don't yet know what could be accomplished on the other side. Developing and enhancing security for livestock owners is the primary reason I have introduced this resolution. I also think it is valuable to discuss the inconvenience which the brand line causes to producers who live on either side of the line. Especially in light of the mobility of cattle these days, the brand line imposes a barrier to commerce and can be a major inconvenience to those who live alongside the line. For ranchers living along the line and moving cattle back and forth to summer and winter grazing, there are requirements for grazing permits and their inspection. The line also is an artificial barrier to commerce, since cattle from one side may not be transported to a sale barn on the other side due to inspection or bill of sale requirements which vary between them. We continue to hear more and more about disease traceability and the need for compliance and uniformity in dealing with this significant issue. Uniform brand inspection across the state will add additional security for that important issue. The increasingly mobile nature of the livestock industry means that each and every herd in the state is exposed to a higher risk of infection from cattle brought in from other areas of the state, other states, or even other nations. We've seen increasing cases of "trich," bovine TB, and other serious diseases. Brand inspection adds a layer of security to the State Veterinarian's work since it puts one more set of eyes on the animals, and also gives the health inspector a better guide to determining the origin of a disease if it can use brand inspection records to trace back an animal. Since any large-scale theft east of a line will probably require the participation of the criminal inspection staff of the Nebraska Brand Committee, there is also an issue of fairness with regard to payment of fees. Residents west of the line pay the salaries of criminal investigators who are obligated to do

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criminal investigations east of the line. There are also significant compliance issues with regard to the beef checkoff, since the Brand Committee collects on country sales west of the line, while east of the line country sales rely on the producer to submit his checkoff payment to the Beef Board. Whether that happens on a regular basis is an open question, since that information is proprietary to the Cattlemen's Beef Board and not available to us, but it seems certain that there is probably a lower compliance east of the brand line than west of the line. If you look at the beef checkoff as a tax, you can understand why it rankles those of us who live west of the line and are held to a different standard than those east of the line. As a final observation, I would like to point out that animals which cannot be repatriated to their owners are sold and the proceeds are added to the state school fund. This fund distributes revenue to all school districts on a per-student basis. The inequity to this law is that these fees are generated for the state school fund only from ranchers residing in the brand inspection area. The animals would never be determined as stray without that determination being made by investigators, whose salaries are paid by the brand inspection fees. Ranchers outside the brand area who pay no fees for inspection are, therefore, having their school property taxes subsidized by those west of the line who pay the fees and generate the revenue which permits the Brand Committee to hire inspectors for these cattle. This inequity would be resolved if all livestock operators in the state were brought under the same rules and regulations. Again, I want to thank the members of the Ag Committee for being here and taking the time to study this issue. I believe it is an important one for Nebraska's future and I hope you'll consider advancing LB654 from committee in 2014. Thank you. [LR271]

SENATOR SCHILZ: Thank you, Senator Davis. That was a mouthful. [LR271]

SENATOR DAVIS: It was. [LR271]

SENATOR SCHILZ: Are there any questions for Senator Davis from the committee? Let me ask one more time, can you hear me in the back if we ask the questions and be loud

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enough? Okay. Thank you. Any questions? Seeing none, thank you, Senator Davis. We'll get started. I guess at this time we would ask the first person that would like to come testify to come up and sit in the chair. I would ask that when you do sit down if you would please say and spell your name so that we can get it down for the record, and we'll get going. So the chair is open so please come on up. Yes. [LR271 LR290]

JAMES WRIEDT: Do I face you guys? [LR271 LR290]

RICK LEONARD: Yeah. [LR271 LR290]

SENATOR SCHILZ: Yeah, please, come sit there and if you wouldn't mind using the microphone. [LR271 LR290]

RICK LEONARD: Yeah, since you're facing away from the crowd. [LR271 LR290]

JAMES WRIEDT: I'll try. [LR271 LR290]

SENATOR SCHILZ: Yeah. Okay. [LR271 LR290]

JAMES WRIEDT: Okay. My name is James Wriedt. I'm from Norfolk, Nebraska. [LR271 LR290]

SENATOR SCHILZ: Can you spell that, please? [LR271 LR290]

JAMES WRIEDT: Okay, last name is spelled W-r-i-e-d-t. [LR271 LR290]

SENATOR SCHILZ: Okay. [LR271 LR290]

JAMES WRIEDT: I'm from Norfolk, Nebraska. This has to do with the estate of my parents who live up in Dixon County. Last Friday we went to court to settle the estate

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because of issues having to do with property and who was the executor of the estate.
[LR271 LR290]

(AUDIENCE): Use the microphone. [LR271 LR290]

JAMES WRIEDT: Pardon? Okay. [LR271 LR290]

_____: Sit down. [LR271 LR290]

SENATOR HARR: We can hear you, but they can't. [LR271 LR290]

JAMES WRIEDT: Okay. I'd rather stand up, if that's okay. Okay, this has to do with an estate that we just got done settling in the court with my parents of my sister and I versus my brother. And the biggest issue, we spent three hours in court discussing the cattle issue on who owns the cows, who doesn't. There's...I can't even remember how many pages right here. This is my testimony right here. We've owned a brand since 2007 when the Locate In 48 became involved. My dad wanted me on the brand but he couldn't afford to be on it with the amount of cows he had, so I put him on mine. The issue at hand was my brother said that if I branded or if we branded the cows, that if something happened to Mom and Dad, I'd be stealing the cows. And my mom was in ill health at the time and so they got her all nervous, so Dad said don't brand them. Dad passed away two years ago; Mom passed away a year ago. The testimony that my brother had is right here, and according to that, it states that all they did was name the cows and then just stuck some ear tags on them. Ear tags can be replaced. They can be taken out, which happened. I know the cows. I was in the business with my dad with the cattle since 1973. And for some apparent reason, the attorney thinks that the best identification is name your cows. So if you've got 4,000 head of cattle out there, you better have a name for each one, according to this attorney. But when I heard about these bills, Senator Davis, I loved it. I loved it. For years I thought that Nebraska should be completely in the brand area. Dixon County is not by the border. Norfolk is a little bit

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closer. But even still, we need to have some kind of identification. Dad raised Angus cattle; the neighbor raised Angus cattle. Dad felt that if he had brands on his cattle, if they did get together it would have been a little bit easier if, you know, if the tags fell out or if there wasn't any tags at all. And I support Senator Davis' bill on this. And this...I feel if this would have happened years ago, I wouldn't have had to go to court to fight this. And now we have to have a judge decide on whose cows are whose in this herd. I'm not...I know I'm not going to be able to get anything accomplished out of this bill once it becomes law. I just want somebody else to be on the secure side and make sure that their cattle aren't stolen. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you. [LR271 LR290]

SENATOR HARR: Thank you, Mr. Wriedt. [LR271 LR290]

SENATOR SCHILZ: Any questions? Senator Hansen. [LR271 LR290]

SENATOR HANSEN: I have one. [LR271 LR290]

JAMES WRIEDT: Yes. [LR271 LR290]

SENATOR HANSEN: You say your dad and you shared the same brand. [LR271 LR290]

JAMES WRIEDT: Yes. [LR271 LR290]

SENATOR HANSEN: Okay. A brand inspector would come in and say the cattle belong to you and you'd still be in court today. I don't see any... [LR271 LR290]

JAMES WRIEDT: The only... [LR271 LR290]

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SENATOR HANSEN: ...I don't see what would alleviate that. [LR271 LR290]

JAMES WRIEDT: Okay. When this all happened back in 2007, was when they were starting the Locate In 48,...okay, back in 2007 when they wanted the Locate In 48, that was when we were trying to figure out what to do. Dad could not afford \$25 per head to put a chip in each cow, and Dad was getting up there where he was in his seventies. So I told him, I says, I'm getting a brand for my cattle; why don't I just go ahead and put you on mine? And he says, okay, what happens if we get the cattle together? I've got mine in Madison County; he's got his in Dixon. But if we take the cattle to market and we got them together...so I got ahold of the committee and I discussed the situation, which we were on a code on an ear tag. Dad uses a yellow tag, I use a white tag. This is what we would have came up with. I discussed it with the Brand Committee. They thought it was a good idea. That way, we had personal identification, plus, we also have a sheet that shows exactly what we would have done. As far as the court case that we had last week, the attorney said that's hearsay. He said if you name cows, it's a lot better. [LR271 LR290]

SENATOR HANSEN: Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you. Any other questions? And before you leave, and for everybody else too, you know, if you just pick one of those up as you're testifying and fill that out and then just set it over here with Jamaica. [LR271 LR290]

JAMES WRIEDT: Just at the end of the... [LR271 LR290]

SENATOR SCHILZ: Yeah. [LR271 LR290]

JAMAICA ERWIN: Yeah, just your name is fine. [LR271 LR290]

SENATOR SCHILZ: Yeah, just fill out your name and stuff and then give that to her.

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That way we've got that for the record and we can go from there. But that will do. Thank you very much, sir. [LR271 LR290]

JAMES WRIEDT: All right. Thank you, sir. [LR271 LR290]

SENATOR SCHILZ: Yeah. [LR271 LR290]

RICK LEONARD: Did you want us to have that testimony or...? [LR271 LR290]

JAMES WRIEDT: Actually, this is mine. But if you would like to look it over, that would be fine. [LR271 LR290]

SENATOR SCHILZ: No. No, because if we take it, we...it has to stay with us. [LR271 LR290]

JAMES WRIEDT: Okay, because right now we're still waiting for the judge's decision on this, so basically it's still... [LR271 LR290]

SENATOR SCHILZ: Right. And what I would say is if any time in the future you'd like that to have us, you can get ahold of us, we can tell you how to get it to us. [LR271 LR290]

JAMES WRIEDT: Okay. That would be great. [LR271 LR290]

SENATOR SCHILZ: Okay. [LR271 LR290]

JAMES WRIEDT: All right. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you very much. Next testifier, please. Don't be shy. Come on up, please. Welcome. [LR271 LR290]

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BRUCE MESSERSMITH: (Exhibit 1) Thank you. I'm Bruce Messersmith, B-r-u-c-e M-e-s-s-e-r-s-m-i-t-h, from Alliance. I'm a 50-year producer of beef cattle from Alliance. We've always been in the brand inspection area so we had little thought other than that compliance was necessary and beneficial. The fact that nearly half the state was not in a brand inspection area was of little consequence to me. If those folks did not choose to protect their investment with brands and brand inspections, that was their choice. Recently though, I've become more aware of the brand inspection's relationship to collection of beef checkoff dollars. It would appear that in Nebraska the predominance of checkoff dollars are paid in the brand inspection area because they are paid directly to the brand inspector. It seems that the Beef Board is not willing to say just how much money comes from which side of the line, but we do know how much comes through brand inspection, which is in excess of \$3.5 million. In the nonbrand inspection side, we have no idea how much is paid and how much is forgotten. The state brand office is charged with investigation of cattle thefts. They are involved whether that theft occurs on the branded side of the line or the unbranded side. Who pays for the brand inspectors' investigations on the nonbrand side? The folks that pay the inspection fees. The Brand Committee is self-funded. It gets no state tax dollars. So if one of their investigators is called to investigate a cattle theft in the eastern part of the state, it is the western cattle producers who pay for that investigation. It is only fair and equitable for all cattle producers in the state to share in the financing of the state Nebraska Brand Committee and of the Nebraska Beef Council. I trust that your better judgment will prevail and you will pass legislation to include the whole state under the Nebraska Brand Committee. Thank you. Any questions? [LR271 LR290]

SENATOR HARR: Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Messersmith. Any questions? Seeing none, thank you. And if you wouldn't mind filling that out, we'd very much appreciate it. Next testifier, please. [LR271 LR290]

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JERRY ADAMSON: I'm Jerry Adamson from Cody, Nebraska, third generation going on the fifth generation ranchers up there. First of all, I'd like to applaud Senator Davis for bringing this to your attention. It's something that a lot of us have thought how unfair this has been for years, and I guess nobody really took that step to kind of make an attempt to make it fair. I don't know if any of you have ever seen that line between the nonbrand area and the brand area, but it's pretty obvious that it is not a straight line. And I'm sure politics has played a big role in how this line was developed, for obvious reasons. South Dakota, at least they use a river. You know, you know which side of the river you live on up there--west side, east side. If you live on the east side of the river, you are not in the brand area; if you're across the river, you're in a brand area. At least Mother Nature made that line. So you can kind of take that for what it's worth. But you know, it's just unbelievable that we've had to live with this for this long. You know, fair is fair and a lot of things, like has already been discussed here, depend on which side of the line you live on, whether you pay your...actually, have to pay your checkoff. You know, if it's voluntary, you know, we're all human and so I'm sure that, you know, the fairness issue gets tested. But I really do applaud again Senator Davis for bringing this to everybody's attention and I know that I understand your next meeting is Wisner maybe or... [LR271 LR290]

SENATOR SCHILZ: West Point. [LR271 LR290]

JERRY ADAMSON: Anyway, I'm sure you'll get the other side of the story down there. But it's just an issue of fairness, gentlemen, and I think you've already seen some of the unfairness that goes on. Brands are positive identification. You can't erase them. Ear tags fall out. And it's really the only fair way to handle this situation. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, sir, Mr. Adamson. Any questions? One second. Any questions? Seeing none, thank you. Appreciate it. [LR271 LR290]

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JERRY ADAMSON: Yep. [LR271 LR290]

SENATOR SCHILZ: Next testifier, please. [LR271 LR290]

PAM SCHMITZ: I want to go so I can go home. [LR271 LR290]

SENATOR SCHILZ: There you go. Come on up. [LR271 LR290]

PAM SCHMITZ: This is the reason I'm here, for my grandkids. You're going to hear a lot of legal...I'm Pam Schmitz, by the way. [LR271 LR290]

SENATOR SCHILZ: Thank you. Can you spell that for us, please? [LR271 LR290]

PAM SCHMITZ: P-a-m S-c-h-m-i-t-z, from Johnstown. And you're going to hear a lot of legal reasons why we need brands. I'm sure you're going to hear some opposing reasons, but I can't think of anything why you wouldn't have a brand. When I turned five years old, my parents are here, they branded a half a cow for me. And it gives you a sense of responsibility. There's just so much more to it than the legal aspect, so much more than the legal aspect of this branding thing. And as you heard the gentleman before that had been to court, that's one of the things that I foresee should we not continue with the brand. And if you force people to put chips in their cattle and you're out riding or nowadays people use four-wheelers I guess some but not in the hills where we're at, you know, who's going to be carrying a wand to run by a cow and get her identification to see if it's the neighbor's cow if you don't happen to recognize her? With brands, why, people out here, we know our brands, we know our neighbors' brands. It gives us a reason to come together in the spring or the fall, whichever it may be, and provides a sense of community when you work together to process those cattle and get them branded. So I'm just wanting to let you know that it's not all about legality and money. It's also morals and building family and relationships with your friends and

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neighbors. So this little guy has a brand, as do our other grandkids, and I hope that we get to put them on some cattle. So anyway, that's all I have to say. Thank you. [LR271 LR290]

SENATOR SCHILZ: Okay. Thank you, Ms. Schmitz. Any questions? Seeing none, thank you very much. Next testifier, please. Welcome, have a seat. [LR271 LR290]

ERNIE FELLOWS: Hi there. I'm Ernie Fellows from Keya Paha County. How are you guys tonight? I hope you're doing fine. [LR271 LR290]

SENATOR SCHILZ: Good. [LR271 LR290]

ERNIE FELLOWS: I'm glad Al Davis brought this up. The brands not being carried clear across the state has been a pet peeve of mine for years. The implant idea I think is the stupidest thing I've ever heard because we have a brand on a cattle which is a positive ID. That brand is registered in a county which gives you a premise location. And if you have a cow get out, just like this lady said, I don't know how you're going to find that cow with a wand. Me and a four-wheeler and a wand probably wouldn't work too good. I don't know about you guys. I agree with everything Al Davis has said. I think this is a good idea. I think it should go ahead. We've been fiddling around with this for I don't know how many years. I don't know how many times this has come up in the Legislature in Lincoln. But maybe if we make our whole state a brand inspection state, then maybe South Dakota will get their act together and do the same thing. And maybe some other states will, too, because there's a few cattle that cross the state line that are stolen every year, just like some of the report and some of the information that's come out. And I've had held helped with a few dealings with this, as I live close to the South Dakota border. And I know a brand inspector that works in Chamberlain says he finds about one stolen or two stolen cattle about every other time he goes up there to inspect at an action. That thing is right on the river. It's kind of hard to tell which side you're on when you're up there. The same thing used to happen to Platte, South Dakota, and the only

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reason I knew about it was I worked for the sheriff's office a time or two. But if we go to a full state brand inspection area, I think it will take care of a lot of problems. It will also give us ID. And I think this is a good idea and Al Davis has got the right track on it. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Fellows. Any questions for Mr. Fellows? Seeing none, thank you for your testimony, sir. Next testifier. Come on up. [LR271 LR290]

TOM RAMM: Evening, sirs. [LR271 LR290]

SENATOR SCHILZ: Evening. [LR271 LR290]

TOM RAMM: I'm here to support Senator Davis' bill because I had an issue back... [LR271 LR290]

SENATOR SCHILZ: Sir, can you say and spell your name, please? [LR271 LR290]

TOM RAMM: Oh, Tom Ramm,... [LR271 LR290]

SENATOR SCHILZ: Thank you. [LR271 LR290]

TOM RAMM: ...R-a-m-m, Valentine, Nebraska. And back in the late '80s, I had an issue with I had cows show up in Sioux City, Iowa. Now I don't know how they got there. They had to go clean through the brand area, but back then Nebraska Brand had a brand man sitting there at the stockyards and they treated them as strays. And anyway, with my brand on them, they called me and I got my cattle back. But without...I don't know if they still...if Nebraska still has a brand man, you know, outside the state. You know, back then, you know, Sioux City was a big port or whatever trade area, and I don't know if he was getting paid for Nebraska to sit out there. He really...he called me, said he really didn't have a lot of authority there but these had showed up. And anyway, I think

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this as a whole state, it would be tougher. Whenever they move out of the state, they're going to get brand inspected. That's all I have. Thank you. [LR271 LR290]

SENATOR SCHILZ: Great. Thank you, sir. Appreciate it, Mr. Ramm. Any questions? Seeing none, thank you for your testimony. We appreciate it. [LR271 LR290]

TOM RAMM: I need to fill this out? [LR271 LR290]

SENATOR SCHILZ: Yeah, if you'd fill that out and just bring that back up, we'd really appreciate it. Next testifier, please. Good evening. [LR271 LR290]

ROLAND PADDOCK: I'm Roland Paddock from Ainsworth, Nebraska, R-o-l-a-n-d P-a-d-d-o-c-k. I'd like to just give you a little bit of the practical side. Everybody is talking a little bit different than that. Three instances: One time I bought some cows and I was the third owner of those cows, so they had three brands on them. I always thought I was short one of them. A couple years later, the brand man called me and said, did you buy cows from such and such, and I said, yes, I did, I bought ten of them. He says, well, your neighbor here tried to sell them; we got your cow back for you. Another time we were taking cows from my place over to some after grass and the neighbor...we had to drive right by the neighbor's cows. This cow was running up and down the fence, just acting wild. We looked over there. Well, she had our brand on her. She knew she was supposed to go with us. If we didn't have the brand, we wouldn't have got her back. He had his ear tag in her. He'd already run her through the chute. So if we wouldn't have had the brand, we'd have just been out. Every year I don't think there's been a year gone by but what either the bulls tear our fence up, the calf gets shoved through the fence, some cows, bull then jumps the fence, we have a mix-up somewhere throughout the year. You know your neighbor's brand so you get them back to them, or they see yours and they get them back to you. And so without the brand, it would be hard sometimes to even know that they were gone. I don't know how the people in eastern Nebraska combat those problems. I would think that they would be on-board with this

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tremendously because of the ability to be able to get their cattle back if something ever got mixed up. I know people take cows to cornfields. A lot of times, nothing against farmers, but they're not good fencers a lot of times and you have a little electric fence, just one-wire electric fence, and cows can get mixed up pretty easy in cornstalks. So it's...I think it would be a tremendous advantage to the people on the eastern side of Nebraska to be able to get their cows back if they had brand inspection. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, sir. Are there any questions for Mr. Paddock? Seeing none, thank you, sir, for your testimony. Next testifier, please. Going once...there we go, maybe in the back. I'm afraid he's leaving. Anyone? Here we go. [LR271 LR290]

BRUCE BOETTCHER: Bruce Boettcher, B-r-u-c-e B-o-e-t-t-c-h-e-r, Bassett. Property is property. Branding shows ownership. Machinery has serial numbers to show ownership, vehicles have a VIN number to show ownership, so I think cattle need a brand to show their ownership. That's all I got to say. [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Boettcher. Any questions? Senator Harr. [LR271 LR290]

SENATOR HARR: I'm going to jump in because it looks like we're coming to understand the testifiers. And I'm a city slicker, so I'm from Omaha, as you heard earlier, and I just want to clarify some issues. Background, I understand how...I come out to this part of the state every year. I go branding. I understand how it works. I understand all that. My question though is there's the brand and there's the bill of sale, because as I understand, Senator Davis, your bill does not require necessarily a brand in and of itself but you need...or a bill of sale to go with that. How does that operate? [LR271 LR290]

SENATOR DAVIS: State law does not require...state statutes do not require anybody to brand. [LR271 LR290]

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SENATOR HARR: Okay. [LR271 LR290]

SENATOR DAVIS: However, that's the customary means by which identification of ownership is applied. [LR271 LR290]

SENATOR HARR: Okay. So you need something when you go to sell, a bill of sale of some sort to prove ownership. [LR271 LR290]

SENATOR DAVIS: When the brand man comes and inspects cattle, he has a triplicate sheet. [LR271 LR290]

SENATOR HARR: Yep. [LR271 LR290]

SENATOR DAVIS: One is for transport, one is for his records, and one is the title. And so he gives the title to the owner of the cattle and then that person transfers that to the purchaser. That then becomes the identifying means for the purchaser, for his records in the future. [LR271 LR290]

SENATOR HARR: So are there other ways of identifying or, I mean, besides branding cattle? [LR271 LR290]

SENATOR DAVIS: Tags in the ears. [LR271 LR290]

SENATOR HARR: The ear tag. Would this still allow for ear tags though? [LR271 LR290]

SENATOR DAVIS: Yes. [LR271 LR290]

SENATOR HARR: Okay. All right. Thank you. [LR271 LR290]

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SENATOR SCHILZ: Thank you, Senator. Mr. Boettcher, thank you for filling that out. And I've got one more question for you, if you would just... [LR271 LR290]

BRUCE BOETTCHER: Okay. [LR271 LR290]

SENATOR SCHILZ: Thank you. Sorry, I don't mean to...you know, and as we've talked here, and since you got stopped, I'll just ask you the question. You know, in your mind, as you look at the brand inspection and how that all works, how much...and I'm asking...I don't want to put you on the spot here but how much value do you find in that? Where is it? Can you put a monetary amount on that, on the fact that you've got all the paperwork in place and everything or...I guess that's the question. How do you arrive at the value of that brand? [LR271 LR290]

BRUCE BOETTCHER: How do you arrive at the value of the brand... [LR271 LR290]

SENATOR SCHILZ: Right. [LR271 LR290]

BRUCE BOETTCHER: ...on your critter? [LR271 LR290]

SENATOR SCHILZ: Yeah. [LR271 LR290]

(AUDIENCE): It's the value of your critter. What your cow (inaudible). [LR271 LR290]

BRUCE BOETTCHER: Yeah, it's what your cattle are worth. [LR271 LR290]

SENATOR SCHILZ: Right. But if it doesn't have a brand or it doesn't have any of that, I can take it outside the brand area or have one outside the brand area and still get what that animal is worth. [LR271 LR290]

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BRUCE BOETTCHER: Exactly. That's why you need this statewide brand. [LR271 LR290]

SENATOR SCHILZ: Some on the other side, and I'm not...I'm just playing devil's advocate, some on the other side would contend that if there's no value in it... [LR271 LR290]

BRUCE BOETTCHER: Why would you say there's no value? [LR271 LR290]

SENATOR SCHILZ: Because you could get the same price inside or outside the brand area for that same cattle. [LR271 LR290]

BRUCE BOETTCHER: Exactly. [LR271 LR290]

SENATOR HARR: Uh-huh. [LR271 LR290]

BRUCE BOETTCHER: So then, therefore, you're keeping them people straight and honest as you are on this side of the line. [LR271 LR290]

SENATOR SCHILZ: Okay. Okay. I understand what you're saying. I appreciate that. [LR271 LR290]

BRUCE BOETTCHER: Okay. [LR271 LR290]

SENATOR SCHILZ: And then rustling, I mean we've heard about it and so is that an increasing sort of thing? Are we seeing an uptick in the amount of rustling that's going on? [LR271 LR290]

BRUCE BOETTCHER: Well, I think it probably could be, yes, with the price of cattle. [LR271 LR290]

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SENATOR SCHILZ: Right. And that makes sense too. Okay. Thank you, sir. Appreciate that very much. Yes, Senator Bloomfield. [LR271 LR290]

SENATOR BLOOMFIELD: I'll throw one out there too. Thank you for coming up. Through...I assume you sell your calves to a feedlot. [LR271 LR290]

(AUDIENCE): Can't hear you. [LR271 LR290]

SENATOR BLOOMFIELD: I assume you sell your calves to a feedlot or do you fatten them out or...? [LR271 LR290]

BRUCE BOETTCHER: Actually, I sell mine privately, yes. [LR271 LR290]

SENATOR BLOOMFIELD: Okay. I was just wondering what you figured it might cost you per critter to actually go through the brand board versus not doing it. By the time you get branded and pay the fees you need to pay, what's that amount to a head? [LR271 LR290]

BRUCE BOETTCHER: I think it's, what,... [LR271 LR290]

_____: Seventy-five cents. [LR271 LR290]

BRUCE BOETTCHER: ...isn't it 75 cents, Corey (phonetic)? [LR271 LR290]

_____: Be \$1.75 with checkoff. [LR271 LR290]

SENATOR HARR: Plus, I think isn't there a fuel surcharge? [LR271 LR290]

BRUCE BOETTCHER: Yeah, it's 75 cents for the brand and a buck for the beef

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checkoff. [LR271 LR290]

SENATOR BLOOMFIELD: That's just for...that's each time. [LR271 LR290]

SENATOR HARR: Uh-huh. [LR271 LR290]

BRUCE BOETTCHER: Per head. [LR271 LR290]

SENATOR BLOOMFIELD: Okay. [LR271 LR290]

SENATOR HARR: Yeah. [LR271 LR290]

_____ : When they're sold. [LR271 LR290]

SENATOR BLOOMFIELD: Yeah. But if you sell... [LR271 LR290]

_____ : (inaudible) each transaction (inaudible). [LR271 LR290]

SENATOR SCHILZ: And I don't mean to interrupt you, but... [LR271 LR290]

_____ : I'm out of order. [LR271 LR290]

SENATOR SCHILZ: (Laughter) Yeah. Well, if you're not here at the mike then we don't know who's talking. So if you want, you'll have an opportunity to come up. [LR271 LR290]

SENATOR HARR: Yeah. And there's a fuel surcharge I think right now too, isn't there? [LR271 LR290]

BRUCE BOETTCHER: Yes. Yes. [LR271 LR290]

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SENATOR HARR: Yeah. [LR271 LR290]

BRUCE BOETTCHER: I guess, you know, actually if you want to talk about the brand, you need to get a brand man up here... [LR271 LR290]

SENATOR HARR: Yeah. [LR271 LR290]

SENATOR SCHILZ: And we're going to. [LR271 LR290]

SENATOR HARR: Oh, jeez. Yeah. [LR271 LR290]

BRUCE BOETTCHER: ...and talk to them. I'm just a producer so. [LR271 LR290]

SENATOR HARR: Let me ask you. How long does it normally take, once you call and ask for a brand man to come out, how long? A day? Two days? [LR271 LR290]

BRUCE BOETTCHER: Yeah, you better have them lined up a couple days ahead of time because, you know, they're busy and they got barns they got to take care of and plus the private sector just likes (inaudible) on their end. [LR271 LR290]

SENATOR HARR: And you know you have to do it, so it's just a part of doing business. [LR271 LR290]

BRUCE BOETTCHER: Yes. Right. [LR271 LR290]

SENATOR HARR: It's not a huge inconvenience. [LR271 LR290]

BRUCE BOETTCHER: No. [LR271 LR290]

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SENATOR HARR: All right. [LR271 LR290]

BRUCE BOETTCHER: No. It's actually I'm glad they come out because it shows ownership. [LR271 LR290]

SENATOR HARR: Yeah. [LR271 LR290]

SENATOR BLOOMFIELD: The reason I asked the question I did is because I think we heard in testimony in Lincoln that every time you move from one pasture to another or from one pasture to a cornfield... [LR271 LR290]

SENATOR HARR: Oh, yeah. [LR271 LR290]

SENATOR BLOOMFIELD: ...you had to have the inspectors out, and that 75-cent charge applied. And if you move three or four times a year, all of a sudden it gets expensive. [LR271 LR290]

BRUCE BOETTCHER: Yeah, but just think about that. If you did...if it was statewide, that would never have to happen. If it was statewide, they wouldn't have...moving these cattle in state, that guy wouldn't have to have a complaint. [LR271 LR290]

SENATOR BLOOMFIELD: Yeah. Okay. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you. Any other questions for Mr. Boettcher. Mr. Boettcher, thank you for your time and your answering the questions. We really appreciate it. And if you'd fill that out, that would be great. Next testifier, please. Good evening and welcome. [LR271 LR290]

SUSAN LUEBBE: Hi. I'm Susan Straka Luebbe, L-u-e-b-b-e. I'm president of the Sandhills region of the Nebraska Farmers Union. We have cattle in Rock and Holt and

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Brown County, and we've had cattle come up missing. And without the brand, it wouldn't have got stopped at the Bassett sale barn here. We've had stray bulls, baby calves; without the brand, we couldn't have found the owner to get them out of our pastures. I come up here and check once a week, which I happened to be up here today checking and had an issue with a stray too. On our ranch south of Stuart, we bring in, do an EID tag, and we tattoo because we still have bulls, and we keep our own replacement heifers because we have fall and spring cattle. And you can't rely on all those other IDs. Branding is the only thing that is a solid identification. I just...I want Al Davis' bill to move forward. I think it's the fairest thing for the whole state, for all the cattle ranchers and the feedlot. I guess that's all I have to say. Thank you. [LR271 LR290]

SENATOR SCHILZ: Great. Thank you, Ms. Luebbe. Any questions? Seeing none, thank you. Next testifier, please. [LR271 LR290]

JOE PONGRATZ: You forgot your phone. [LR271 LR290]

SUSAN LUEBBE: Oh, I'm sorry. [LR271 LR290]

JOE PONGRATZ: My name is Joe Pongratz, P-o-n-g-r-a-t-z. If Steve Stanec is here, he can come sit behind me and smack me every time I get out of line because I've been appointed to the Brand Committee and I've been told that I have to have a neutral position. So I'm going to have to do this on tippytoes. One of the questions asked of Mr. Boettcher was, do you...is it an inconvenience to have the inspectors come out? But a lot of times, you know, when people are on the east side and they say, well, you know, I called the inspector and he wasn't there on time, well, they called for the trailer and they called for the help a week in advance but they called the inspector the day before a lot. So, you know, we don't call our neighbors to say we're going to move cows tomorrow at 8:00 and it's 9:00 tonight, we'll see you tomorrow. And as far as...I think you were talking about every time they pay the...you know, you'd have to pay to move to every pasture, that only happens when they cross the line. So like all of our pastures in Holt

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County, so when we bring them home from the pasture we don't have to have it. But the neighbors, you know, the neighbors that doesn't have cattle anymore that rents his pasture to somebody east of the line, they would have to have it. They're supposed to have them inspected, and that is to protect our cattle because essentially there is no inspector at a sale barn. So the theory is you can catch it there so it doesn't happen. Well, I mean that whether they're all being hauled back, I mean that's...I think we can answer that ourselves. But a lot of this is talking about...I mean a lot of the folks are talking about branding and stuff, and something I would like to point out is Senator Davis' bill, in my opinion as an individual, is about proof of ownership, not necessarily branding. Would I be correct, Senator? It is. Does not make anyone brand livestock. It is just saying when the ownership changes hands, a third party should be verifying this to make sure that it is changing hands, which we do that with an abstract company when you sell your house. You do that with...you know, you sell your car, you have to go to the courthouse. I mean it's all there. So I mean that's hoping I'm not stepping out of line here, but I just...I mean it makes sense that a third party would be there to verify, which is happening on the west side of the line is a third party is essentially there. So for anybody that's confused on whether it's...you're not going to lose your branding rights here or anything. I mean that's not up on the table here. It's actually just to proof of ownership, the inspection is what's being discussed. And I think that's important for everyone's protection, whether they're on either side, because the Brand Committee is taking care of when there is a stray over there and other conflict. If they call their sheriff's office and say, you know, my cattle I think have been stolen, they call the Brand Committee and the Brand Committee sends an investigator over there. Well, now we have someone over there. So I guess if you have any questions, I'll try to answer them.
[LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Pongratz. Any questions? Senator Johnson.
[LR271 LR290]

SENATOR JOHNSON: Thank you. Thank you, sir, for serving on the committee. And

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we're talking about two resolutions tonight,... [LR271 LR290]

JOE PONGRATZ: Uh-huh. [LR271 LR290]

SENATOR JOHNSON: ...one that's been the focus on the statewide. [LR271 LR290]

JOE PONGRATZ: Uh-huh. [LR271 LR290]

SENATOR JOHNSON: And I'm not saying, you know, which way it will go. I definitely see the merits. I have no question. I used to live in the brand inspection area in Phelps County. If we talk about the other resolution as being...coming on the committee or on the committee, do you see any value or a way to make this a neutral area or this small area the borderline, and changing that a little? Any thoughts on that from your personal perspective? (Laughter) [LR271 LR290]

JOE PONGRATZ: Okay. Thank you. My personal perspective is, isn't that already happening? If the cattle, if there's a problem over there, don't they essentially call the sheriff? And I mean our brand inspector goes over there. They're just not having to essentially pay that, you know? They're not having to pay for that service to be there all the time. I mean I guess I look at it as it's enforced on half and it's, you know, it's already there, in my opinion. I would think...I mean from the...I haven't read the study. [LR271 LR290]

SENATOR JOHNSON: Yeah. [LR271 LR290]

JOE PONGRATZ: I don't know what that study is asking. But essentially, to me, that would say that it's already being done. If there's a theft over there, they can call and get an investigator over there. [LR271 LR290]

SENATOR JOHNSON: Which includes the whole rest of the state if they're... [LR271

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LR290]

JOE PONGRATZ: Yeah, the whole state can have an investigator. [LR271 LR290]

SENATOR JOHNSON: Yeah. [LR271 LR290]

JOE PONGRATZ: So, to me, that...that's kind of being done. I mean that's just...that's a personal opinion. [LR271 LR290]

SENATOR JOHNSON: Thank you. [LR271 LR290]

SENATOR SCHILZ: Another question, Senator Hansen, did you? [LR271 LR290]

SENATOR HANSEN: Thank you. My question would be that, you know, we're pretty far north in the state of Nebraska, but I live in North Platte and it's only 60 miles to Kansas. And so once you get them across that line, you're home free, too, similar to going north into South Dakota if you're east of the river. [LR271 LR290]

JOE PONGRATZ: Yes. [LR271 LR290]

SENATOR HANSEN: I'm not sure how the Nebraska Brand Committee can come up with inspectors at out-of-state sale barns. I mean they're supposed to be inspected when they leave the state or the brand area, but that doesn't always happen, especially with the people that operate after dark. And I mean, I think it's always going to be a problem. I don't know what you can do there. [LR271 LR290]

JOE PONGRATZ: I guess being the new guy on the block, on the committee,... [LR271 LR290]

SENATOR HANSEN: Yeah, plead ignorance. [LR271 LR290]

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JOE PONGRATZ: ...don't grill me too hard on that one, because I'm learning the ropes. But I guess the way that I personally look at it is this is...right now, we're looking at a state issue, which is our State Unicameral, so to fix the line that is in... [LR271 LR290]

SENATOR HANSEN: It's all we can do. [LR271 LR290]

JOE PONGRATZ: Yeah. And you know, essentially, if that's the case, I need to call Senator...if I wanted to change the nation line, I would want to call Senator Johanns and Deb Fischer. I mean that's just what I would...I mean I guess most producers here are looking at this as a state issue, not national. I don't know if that answers your question. [LR271 LR290]

SENATOR HANSEN: Yeah, that's fine. Thank you. [LR271 LR290]

JOE PONGRATZ: Okay. [LR271 LR290]

SENATOR SCHILZ: Any other questions? Thank you, sir, for your testimony. [LR271 LR290]

JOE PONGRATZ: Thank you. [LR271 LR290]

SENATOR SCHILZ: I think we'll change it up just a little bit here. Don't worry, we'll get to you. I just...maybe we would have Mr. Stanec come on up and maybe sit down to give us a little bit of background and I've got a couple questions and maybe some others do too. Steve, welcome. [LR271 LR290]

STEVE STANEC: Thank you. [LR271 LR290]

SENATOR SCHILZ: I don't know if you have anything that you'd like to say first. [LR271

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LR290]

STEVE STANEC: Well, first of all, my name is Steve Stanec, first name is S-t-e-v-e, last name is S-t-a-n-e-c, and I'm the executive director of the Nebraska Brand Committee. I do not have any testimony to present. The committee at this point in time is neutral on...as they were at the hearings last year or earlier this year, so I didn't present...bring any testimony on it. But I'd be glad to answer any questions you might have or attempt to anyway. [LR271 LR290]

SENATOR SCHILZ: Great. Appreciate that. Thank you. I guess the first question that I have as we look at this, now we know that the whole state is under the brand law, and of course we know we have the line there and the issues that that caused there. But does the committee have any authority that if they do an inspection outside of the brand inspection area, is there any authority to get reimbursement for that from the folks that the cattle are recovered for? [LR271 LR290]

STEVE STANEC: We generally don't do inspections outside of the area... [LR271 LR290]

SENATOR SCHILZ: Right. [LR271 LR290]

STEVE STANEC: ...except at our open markets. [LR271 LR290]

SENATOR SCHILZ: I meant investigation, excuse me. [LR271 LR290]

STEVE STANEC: And our investigations, no, there's no way to recoup any funding to help support... [LR271 LR290]

SENATOR SCHILZ: Okay. [LR271 LR290]

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STEVE STANEC: ...the investigative division. [LR271 LR290]

SENATOR SCHILZ: Okay. Thank you. And then...let me think on mine again. Does anybody else have any questions? Senator Hansen and then Senator Davis. [LR271 LR290]

SENATOR HANSEN: I've got one. Steve, what would it...I mean the Brand Committee is neutral and I see the reason for that. But still looking forward, and I know you've been asked this before, what would be the costs to the administration to go the other third of the state? And then including training and including...I mean just getting everything in place, I mean it's going to take a couple years I would assume. And but have you looked into the cost of anything like this... [LR271 LR290]

STEVE STANEC: Yes. [LR271 LR290]

SENATOR HANSEN: ...for the number of cattle and number of inspections? [LR271 LR290]

STEVE STANEC: Right. We have made an attempt. Of course, you don't know from the onset how many country sales there might be involved. All we can go by is number of head that are sold at auction markets, etcetera. [LR271 LR290]

SENATOR HANSEN: Yeah. [LR271 LR290]

STEVE STANEC: But it's anticipated that to start off with the hiring of new personnel and getting them trained, you're looking at probably \$1.5 million for the first year. And then once they're trained, then you have relocation costs, etcetera, supervisors that would need to be put into place. I would say at the end of the second year, you're probably looking at a budget that equals our budget right now and additional, and it's right at \$4 million. However, we are self-funded, and once it's in place then you figure

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the fees would then step in and take care of the process. But there are start-up dollars the first year that would probably be running in the neighborhood of \$1.5 million and the second year you're probably looking at \$3 million. [LR271 LR290]

SENATOR HANSEN: And the only income source you have right now is the inspections that we pay, so it could go from 75 cents to \$1.50 or \$2.00 just to get that money in place so we could go statewide. Is that correct? [LR271 LR290]

STEVE STANEC: That is correct. [LR271 LR290]

SENATOR HANSEN: And we're at the top limit of registration renewals, about at the top of everything, aren't we? [LR271 LR290]

STEVE STANEC: Yes, we are. Uh-huh. The maximums, the only one that's not set at the maximum is the transfer, brand transfer. And the surcharge is not at the maximum. [LR271 LR290]

SENATOR HANSEN: Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, Senator Hansen. Senator Davis. [LR271 LR290]

SENATOR DAVIS: I was going to ask you a couple questions, Steve, about the grazing permits and moving back and forth. But first, I'd like to talk about revenue for a little bit, if I can. Can you hear me in the back? You've said about \$1.5 million would be the start-up costs. Have you done any estimates as to what kind of revenue you'd raise in the third of the state that's not in? Has that been...is that an...would that be an offsetting? [LR271 LR290]

STEVE STANEC: Yes, it would. The problem: We don't...we can't anticipate or come up with any true indication as to how many country inspections we're going to have. We

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can look at cattle numbers at auction markets and etcetera, and certainly once it's up and running we're confident in feeling that it would be self-supporting. But there are those start-up dollars that would be needed to hire additional personnel. Right now the committee, we're not in the business of making a profit, so we set our fees to make the expenses, etcetera. So once it's up and running, we think it would be self-supporting. [LR271 LR290]

SENATOR DAVIS: Then can you talk a little bit about the grazing permits and the process on one side of the line to the other, for people that live on the line? [LR271 LR290]

STEVE STANEC: There is a grazing permit that is available for those that are...border the line, whether it be South Dakota, Kansas, Colorado, Wyoming, Nebraska, may apply to the Brand Committee for a grazing permit that would allow them to take cattle from inside a brand inspection area to a county adjacent to the county that they're running in, in that nonbrand inspection area, as long as at some point they return to the brand area. And if not, then they're obligated to contact the brand inspector to have them inspected before they're shipped somewhere else from there. But that is limited to right on the line and in adjacent county. [LR271 LR290]

SENATOR DAVIS: So that was kind of in reference to Senator Bloomfield's question about the fees, moving from one pasture to another. That's not a typical or common occurrence. [LR271 LR290]

STEVE STANEC: No, we are not like the state of Wyoming where you have to inspect cattle who go from one county to another. If you are inside the brand inspection area, the cattle are not changing ownership or leaving the state, then they're not required to be inspected from pasture to pasture, county to county; only if they're leaving the brand inspection area. [LR271 LR290]

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SENATOR DAVIS: Thank you. [LR271 LR290]

SENATOR SCHILZ: Any other questions? Senator Johnson. [LR271 LR290]

SENATOR JOHNSON: Yeah, let me follow up on this revenue side. And I know you can't give a number. But just looking at the numbers of livestock or cattle in the western two-thirds and the inspectors and the brand inspectors that you have, and looking at the lesser numbers, I think it's probably less than...percentagewise I think it's way less than one-third of the cattle in Nebraska. So you have to have fees to cover that. We heard about the fairness side of it. Do you think the people in the brand inspection area will be...would be willing to pay a higher fee in order to help support the statewide approach? [LR271 LR290]

STEVE STANEC: I guess I can't speak for all the people inside the brand area. (Laughter) I will speak on those that have come to me and said, if it needs to be \$1 a head to get it statewide, we'd like to see it. However, there are those that have come to me and said, we don't want to see it statewide, as well, not necessarily from inside the area. So I can't speak on behalf of those inside the area. [LR271 LR290]

SENATOR JOHNSON: But the subject has been raised. [LR271 LR290]

STEVE STANEC: Yes, it has been raised. [LR271 LR290]

SENATOR JOHNSON: Yeah. [LR271 LR290]

STEVE STANEC: And many times they've said, if we have to go to \$1, we'll pay it. [LR271 LR290]

SENATOR SCHILZ: Senator Hansen. [LR271 LR290]

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SENATOR HANSEN: Okay. Thank you. Steve, how many full-time inspectors do you have? How many intermittent do you have now? [LR271 LR290]

STEVE STANEC: We have...well, we're short a couple right now. We run about 50/50. Right now I think we have 48 full-time and we might have 51 or 52 intermittents. [LR271 LR290]

SENATOR HANSEN: Okay. I read the Auditor's report yesterday or last evening and some of his comments were a little out of whack. But I did notice that there was...I think his report said there were 53 full-time when they did the audit the end of December a year ago. What was the high? [LR271 LR290]

STEVE STANEC: Well, that would include our office staff, Senator Hansen. [LR271 LR290]

SENATOR HANSEN: Okay. Okay. [LR271 LR290]

STEVE STANEC: Yeah, that would include... [LR271 LR290]

SENATOR HANSEN: But what was the high number of inspectors in years past? It was about 111, correct? [LR271 LR290]

STEVE STANEC: We had at one time, 15 years ago, we had 123 employees, where right now we're right at 100. [LR271 LR290]

SENATOR HANSEN: And you're doing the same job, expected to do the same job, as you were then. [LR271 LR290]

STEVE STANEC: Right, and... [LR271 LR290]

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SENATOR HANSEN: About the same number of cattle. [LR271 LR290]

STEVE STANEC: Right. [LR271 LR290]

SENATOR HANSEN: And that's why you don't...I'll ask it differently. Is that the reason you don't have inspectors outside the state of Nebraska and sitting in different...Sioux City's sale barn or wherever someone had some cattle recovered, because you can't afford that? [LR271 LR290]

STEVE STANEC: Right. And we used to have five criminal investigators. One was assigned to the nonbrand area until budget constraints required to cut personnel to cut our budgets, not only because the money wasn't there due to fees--the cattle numbers were down--but because of other budget constraints that were placed upon us by the Governor's Office or the Legislature to cut our budget over the years. We've had situations where we've asked for X amount of dollars and were not appropriated that. So in our business, where we provide a service, the only way to cut spending is to cut personnel, because that's...85 to 89 percent of our expenditures are personal services. [LR271 LR290]

SENATOR HANSEN: And fuel. [LR271 LR290]

STEVE STANEC: And fuel. [LR271 LR290]

SENATOR HANSEN: Fuel reimbursement. [LR271 LR290]

STEVE STANEC: Right. [LR271 LR290]

SENATOR HANSEN: Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you. Any other questions? Steve, I guess if we could, could

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we go back to the bill of sale process and could you talk a little bit about that? Because even if you don't have the brand, is it correct that anywhere within the state, in order to sell cattle, you have to have a bill of sale and provide that as you move forward? So can you speak to that a bit? [LR271 LR290]

STEVE STANEC: The statutory requirement in the state of Nebraska is that the seller must give and the buyer must receive a promptly executed bill of sale, and inside the brand inspection area a brand inspection certificate will satisfy that requirement. [LR271 LR290]

SENATOR SCHILZ: But even outside the brand area, it's absolutely a requirement. [LR271 LR290]

STEVE STANEC: Is actually on all livestock. It's not just cattle but all livestock. [LR271 LR290]

SENATOR SCHILZ: Yeah. Right. Thank you. And then can you explain a little bit how that bill of sale helps you track those cattle if you have an issue or a problem or if you find a stray or something like that? Can you touch on that? [LR271 LR290]

STEVE STANEC: Most cattle generally, when you look at cows, oftentimes you're looking at two or three different owners, two or three different brands. Title to an animal is the same as a title to a vehicle. That's an identifying characteristic. And if you look at the documents that were presented to you, the information that was requested, you'll see that in most cases on our successful prosecutions, which is very high, there is a paper trail on all those cattle, whether it be the bill of sale or a brand clearance. We've had cases outside the brand inspection area that we could not develop enough probable cause to not only get it into the court but to successfully get a conviction, because there was no paper trail. Those documents are very, very important in returning strays as well as getting successful prosecutions on theft or fraud. Without

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them it's like losing the title to your vehicle. You can't prove it was yours. [LR271 LR290]

SENATOR SCHILZ: Right. Okay. Thank you. One other thing, and this gets back to the contingencies and things such as that. If perchance the Legislature decides that going statewide with a statewide brand inspection area would happen, have you given...has the Brand Committee given any thought as to what you would have to do if everything remained the same except for all of a sudden one day we said it's all yours? [LR271 LR290]

STEVE STANEC: We a little last year were giving it a lot of thought on, one, how to come up with funding; two, how to implement it. Would you implement it all at one time? You're looking at probably having to hire an additional 25 to 30 full-time people. And because of the less cattle numbers but more producers, we may need more inspectors, but we can look at more intermittent inspectors who are paid on a per-head basis. Our training is the issue that really presents a problem because currently we spend one year on-the-job training for all full-time brand inspectors. If that was implemented and we get six months to do it, we would have to completely change our training program. We would probably have to implement classroom training, which would require a lot of travel and a lot of lodging, etcetera. So that would increase the costs of start-up. It's been looked at bringing it in over two years, three years, five years, either doing it by the first year only sale barns, then the second year maybe packing houses, and the third year country sales, or so many counties a year, to bring them in, so that we have an opportunity to be able to train personnel and get them into place to provide those services. So we've looked at it two or three different ways, but every way we've looked at it there's got to be start-up dollars. [LR271 LR290]

SENATOR SCHILZ: Right. Sure. Any other questions? Senator Bloomfield. [LR271 LR290]

SENATOR BLOOMFIELD: Thank you. Of the ways you've looked at it, if we do it

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piecemeal over a number of years, which of the three or four you mentioned is the most feasible? [LR271 LR290]

STEVE STANEC: Well, if you look at generating revenue, you would probably start with auction markets and packing plants. We do not know how many country inspections we would have, private treaty sales between two parties; anticipate that was probably far less than the numbers that would go through an auction market or packing plants. [LR271 LR290]

SENATOR BLOOMFIELD: But does doing it that way look better to you than doing so many counties at a time? [LR271 LR290]

STEVE STANEC: Not knowing how many country sales, it would. We would know...we know how many sale barns we have. We know how many packing houses there are. So we'd know how many full-time people we'd have to train to get into place. That would have simplicity to it. [LR271 LR290]

SENATOR BLOOMFIELD: Okay. Thank you. [LR271 LR290]

SENATOR DAVIS: Steve, can you talk about the registered feedlot program a little bit? And I know, I know about it, I'm sure the committee does, but does the audience know about that? [LR271 LR290]

STEVE STANEC: Right now inside the brand area, anyone that's commercially fattening cattle for slaughter may apply for a registered feedlot permit with the Brand Committee. What that allows them to do is bring cattle in from an inspected market or from another state that might have brand inspection. And as long as they comply with the registration, those cattle do not need to be brand inspected to go to slaughter. They can send them on a certificate of inspection. The benefits to that for them are they don't have to have each and every animal that goes through their feedyard inspected for ownership at the

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time they go to slaughter, so it's a convenience. They can ship at midnight if they so desire. And it's a cost savings because they only pay on a one-time average inventory versus every animal that goes through. But they are inspected at some point going in. If they're not coming from a brand inspected market or a state that provides brand inspection then, as an example, if they come from a local pasture, then they have to be inspected into the feedyard. But it's a benefit, not only cost savings but it's a convenience for them as well, where if you're not registered, every animal that leaves there to go to slaughter must be inspected either at the feedlot or at the plant. [LR271 LR290]

SENATOR DAVIS: So in some respects, it also is a cost savings for the Brand Committee. [LR271 LR290]

STEVE STANEC: Yes, it would be if we wouldn't have to send out personnel every time they went to slaughter. [LR271 LR290]

SENATOR SCHILZ: Thank you, Senator Davis. And on that note, speaking of that, if you're looking at registered feedlots, they don't have to do that, do they? It's a voluntary... [LR271 LR290]

STEVE STANEC: No, it's voluntary. [LR271 LR290]

SENATOR SCHILZ: Right. [LR271 LR290]

STEVE STANEC: It's under application from the feedyard so... [LR271 LR290]

SENATOR SCHILZ: Right. And then can you explain the process of getting a feedyard certified or accredited or whatever you call it? [LR271 LR290]

STEVE STANEC: They first have to contact us so they can get it off the Internet, an

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application. [LR271 LR290]

SENATOR SCHILZ: Uh-huh. [LR271 LR290]

STEVE STANEC: They send it in to our office. And then the area criminal investigator supervisor will go out and do an inspection. And we also have a registered feedlot inspector who does that as well. And they have to be a fenced, confined area. They can't have some confined areas and let them out into an adjacent cornfield or whatever. They must remain in that confined lot. [LR271 LR290]

SENATOR SCHILZ: Uh-huh. [LR271 LR290]

STEVE STANEC: And then they will go through the records to determine if there's evidence of ownership on all the cattle that are currently in the lot. If not, then they will have to be brand inspected and that ownership determined and those title documents are then put in an inventory file. They must be willing to keep lot files with that inventory in there and then the inspector will come around four times a year and do the quarterly inventory check on all those records to ensure that all those animals have documentary evidence of ownership. And if the time of slaughter or when they're being shipped, then the feedyard itself must complete a shipping certificate. They keep one copy; one copy goes with the cattle to the plant; and then they send the originals to our office so we can...they are audited. They all are numbered and we do an audit on them and make sure all the certificates are accounted for. [LR271 LR290]

SENATOR SCHILZ: And how long does it take from the beginning of that process to where the feedyard has their certificate and can move forward? [LR271 LR290]

STEVE STANEC: It doesn't take long at all. When they make the commitment, we can have someone there within a week to inspect the yards, inspect the documents. They can actually begin, registered, right away. Now if there are cattle in there that don't have

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documentary evidence, they must be inspected before they can leave. So those generally would be inspected at the time they're shipped to slaughter. [LR271 LR290]

SENATOR SCHILZ: Right. Okay. Thank you. Any other questions? Mr. Stanec, thank you very much for coming into today. Thanks for making the trip. Next testifier. [LR271 LR290]

DAVID WRIGHT: Good afternoon. My name is David Wright, W-r-i-g-h-t, and I see two pairs of cowboy boots and one pair has got rhinestones on it. (Laughter) So I would like to address...this is not my testimony. I want to give testimony...well, this is my testimony here. I want to give testimony tomorrow on a different subject, but I want to address some questions that were asked today. As you may know, or maybe you do not know, I spent eight years as a director on the Nebraska Beef Council and I currently serve as a director on the Cattlemen's Beef Board, but I'm speaking on behalf of myself today as a rancher in Holt County, and I live right next to the brand line and I cross it every day, several times a day. The question that was asked that I would like to address early on was the value of inspection. What I'd like to point out is that the value of inspection keeps me out of jail, because it's a third party to verify that those are my cattle or that they're not my cattle. Otherwise, I'm in possession of stolen goods, and that's jail time. So if we talk about the value of the ownership of a vehicle, of the title, or that third-party process, the assessor's office or whatever public office there is to verify a third-party verification of ownership of an asset, those are there by law and they have been established by law for a reason because, as the gentleman from Norfolk had pointed out, there was a need to say this is the ownership. So therefore, the law has put in place a value on other assets, so I'm trying to demonstrate that's the asset from the inspector's standpoint. He's, from my standpoint as an inspector, he's keeping me out of jail or he's keeping my neighbor out of jail just because our cattle have crossed lines. That is the value. And what is that value to society? The gentleman from Norfolk just demonstrated good fences make good lines or good fences make good neighbors. You know, you got a family that's divided over a simple fact because there was no third party

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to verify who owned it. The second thing I'd like to point out was the bill of sale that was talked about. The state says that we have to have a bill of sale and we sell livestock. This is directly to the point that some of these people have been talking about today. Inspection is enforcement of that bill of sale on this side. There is no enforcement on the other side. That's why you got sale barns on the other side or transactions on the other side where 50 percent or 40 percent or even 2 percent have actual bills of sale, because there's no enforcement. If there was no State Patrol on the highway, the speed limit wouldn't mean anything. We'd all drive 80 or 90, I mean I would because I have a heavy foot, you know, and I got to get somewhere all the time. But that is the point. The point is you're answering your own question, I feel, because you talk about the value of the bill of sale but this side has enforcement; the other side does not. Then we start talking about the cost, the cost to do the other side. I've seen Mr. Stanec's numbers, but this is what I'm going to throw out there for you. As I said, I've spent eight years on the Nebraska Beef Council, and in those, the Nebraska Beef Council collects about 10 million a year, that is on the sale or the exchange of ownership per head. So that means there's roughly 10 million exchanges of ownership that take place in this state. According to the Brand Committee, they inspect about 3.5 million. I may be off on that number, somebody can holler if it's correct, but it's about that amount. So what that tells me is there's 6.5 million transactions that are not inspected. And at 75 cents an inspection, that's \$4.8 million the first year, \$4.8 million just on the east side. So if you want to implement it, and Steve and I have talked about this, I would suggest you do it in a three-year process because it's unfair to producers on the east side to say, you know what, we passed a law and today it's all going to be inspected. That's just like Tyson saying you can't use Zilmax no more. Well, they didn't say you can't use no more today; they said, we're going to give you a couple months to get rid...you know, to work your way out of it. So if you did it on a three-year process and if the first year you just put inspectors in the packing plants, because every animal is going to die sometime, so you just put them in the packing plants, you're going to generate revenue (snaps fingers) instantly, absolutely instantly. The second year, go after the sale. You know, say, all right in the second year we're going to put inspectors in the sale barns. That

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gives the producers out there the opportunity to get their records in line so that they can meet the inspectors' demands. And the third year would be country sales, because that is where the biggest loss is. On the Beef Council, it was showed to us that we collect \$420,000 on country sales in the brand inspection area, because the brand inspector collects it. But outside of the brand inspection area, we only collect \$4,500, \$4,500. So there's no enforcement like there's enforcement on this side, so that is where the rub comes. There's checkoff dollars that are based on exchange of ownership and there's other laws that I want to talk about tomorrow that are based on exchange of ownership, you know, that are based on that premise. So sorry if I was rough and mean and I come off kind of bad, but this has been...I've lived my entire life on that line and I've had to cross it. I'll cross that line six times a day and it is not right. It's an unjust deal, is what it is. So I would entertain any questions. [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Wright. Any questions? Senator Hansen. [LR271 LR290]

SENATOR HANSEN: Thank you. We heard several times tonight and heard it in the past where we compare a brand to a vehicle title. That vehicle has a VIN number and that's specific to that vehicle. These cattle are branded with one brand, and there could be several hundred with that one brand, so it makes a model number but it doesn't make a VIN number. How do you reconcile that? [LR271 LR290]

DAVID WRIGHT: Well, my brand has a number, my registered brand with the state has a number with it, and it says that W with the hanging arrow belongs to David Wright, and it has a digitized number that goes with that brand. So every time someone has bought that animal and if they've rebranded it, of course, that number is going to move. As for looking for an original number for the birth of that calf, that is...now you're down to animal...individual animal ID and I don't...I'll be...I don't think anybody in this room wants individual animal ID. What they want is proof of ownership. So in reality, it doesn't really matter if the car is a Buick or if the car is a Chevy or if the car is a Ford or a Pontiac.

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What matters is who owns the car at the point of transaction, because that's where...that's where the rub is. That's where dollars are collected for checkoff. That's where inspection fees are collected. They're collected at that point of sale. [LR271 LR290]

SENATOR HANSEN: In Nebraska, brands are unique to one owner mostly. My brand is 77. There's another 77 brand in the Panhandle. There's a 77 brand in Texas that I know of, and probably in Kansas, maybe in South Dakota. Those aren't separate. I mean they're...we know where they're at, we know what the cow counts, the pasture counts are and all that stuff. But once those cattle, you know, leave the state, that can get mixed up too. And it's not that...I don't mind putting those IDs in calves. Once they're sold, if somebody wants to source and age verify those calves, we can do that. That's no big deal. If it helps the buyer, we'll do it. Let the brand...you know, we sell bred heifers, last year went to Oklahoma. They don't know where they're at after that. If they lose their calf tag or their, you know, some are tattooed, some aren't. But I mean animal ID is a problem. The brand is very important, Dave. I don't want to lose it in the western part of the state, I really don't. East of this line there's going to be people, especially tomorrow, that are going to say it's not worth it... [LR271 LR290]

DAVID WRIGHT: Uh-huh. [LR271 LR290]

SENATOR HANSEN: ...and that value is not there. I agree with you that it's worth it. But the brand is probably not the end-all to animal ID. [LR271 LR290]

DAVID WRIGHT: And I would agree with you to a point on that because if David Wright sells cattle to Oklahoma with a W and a hanging arrow on it, and when they cross that state line they have to leave with a health certificate, and one of the things on a health certificate says this animal was branded with a registered brand from Nebraska which belongs to this guy. Once that animal goes into Oklahoma or Texas or Kansas or wherever it goes, then it all of a sudden lives under Kansas law, Texas law, Oklahoma

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law. We in Nebraska cannot tell other states what to do, but what we can do in our state is make sure that the laws are just for everyone in the state and that there's enforcement clear across the state. Now I don't know if there's another W hanging arrow someplace else in the state, not that I know of, I mean, because you made the statement that apparently there's two 77s in the state, then I would suggest that that the Brand Committee can make a...there's got to be a way they can figure that out. [LR271 LR290]

SENATOR HANSEN: Uh-huh. [LR271 LR290]

DAVID WRIGHT: Your address is different than the other address. I mean there's several ways that you can point that out. [LR271 LR290]

SENATOR HANSEN: Yes. [LR271 LR290]

DAVID WRIGHT: I mean there's several ways that you can point that out. [LR271 LR290]

SENATOR HANSEN: Each cow doesn't have that address branded on her, though. [LR271 LR290]

DAVID WRIGHT: That's correct. That's correct. [LR271 LR290]

SENATOR HANSEN: And we don't want that big a brand. (Laughter) Thank you, Dan (sic). [LR271 LR290]

SENATOR SCHILZ: Any other questions? Mr. Wright, thank you very much for coming in tonight. We appreciate it. [LR271 LR290]

DAVID WRIGHT: Thank you. [LR271 LR290]

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SENATOR SCHILZ: We'll see you tomorrow I guess. [LR271 LR290]

DAVID WRIGHT: Yeah. [LR271 LR290]

SENATOR SCHILZ: Great. Next testifier, please. [LR271 LR290]

SCOTT BOETTCHER: Scott Boettcher, B-o-e-t-t-c-h-e-r, and I guess the last question here, when you said that you have these brands, well, your brand is registered in a county and that county has the ten-thousandths number that goes with it in your county, and the 77 I think, I mean I'm not a brand inspector but maybe he can tell us on that, that should have a different number that goes with it. So when you have a bill of sale or whatever, it should say what county that you sold them cattle in or transferred them. And if you go back to the county, that should have the ten-thousandths digit number that goes with your brand to trace it back, whether it was from your county or the other one. [LR271 LR290]

SENATOR HANSEN: Could be. [LR271 LR290]

SCOTT BOETTCHER: Also, I guess... [LR271 LR290]

_____ : And location. [LR271 LR290]

SCOTT BOETTCHER: Yeah, location. I support this bill here and, like I say, times are changing. In the past, there was more feeder cattle on the east side. What we're seeing now with the farming increasing and everything, they don't have grass out there. I don't know what the number would be but I think there's a tremendous amount of cattle that come from the east side out here just to graze. Well, this kind of runs into a problem where you used to know all your neighbors' brands if you was missing some. Well, now we're having strange cattle come into the country and you don't know where it belongs

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or whatever. So I think this is a statewide deal. Helps them people on the part, too, that they don't have to pay to inspect them cattle to come out here if they brand their cattle and ID them anyway. So I guess that was my main two things I wanted to get in. [LR271 LR290]

SENATOR SCHILZ: Okay. Thank you, sir. Any questions? Seeing none, thank you for your testimony. Appreciate it. Next testifier, please. [LR271 LR290]

WAYNE HOFFMAN: My name is Wayne...better hold it out a little way. My name is Wayne Hoffman, H-o-f-f-m-a-n. On this brand, everyone's brand has a different location. It might be on the right hip, might be on the right rib, a shoulder, left side, right side, but each brand has a different location and it's only allowed one location in the state or one owner of the same location. I have, over a period of years, had a neighbor that rented grass out. They brought cows in, took them out, didn't have them checked, and a week or two later or maybe two or three months later when we run cows through, we were short cows. And I knew they'd went back into the nonbrand area and there's quite a few I think that leave that way. A lot of these pastures are pretty hilly, pretty rough, and there's no way that you're going to count them. You count them in when you go to grass and you count them out when you get home, and that's about the only way that you know just how many you have. If we had a brand area that covered the whole state, then those people that got a cow or two or three from me over a period of time, they either had to leave or die or they...if they went to a market, she was going to be inspected then. There any questions? [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Hoffman. Any questions for Mr. Hoffman? Sir, thank you for your testimony today. We appreciate it. Next testifier, please. Good evening. [LR271 LR290]

SCOTT KNOBBE: Scott Knobbe, K-n-o-b-b-e. A question for Mister...or Senator Davis: If this bill... [LR271 LR290]

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SENATOR SCHILZ: Excuse me. You can't ask questions. [LR271 LR290]

SCOTT KNOBBE: Can't do that. Okay. [LR271 LR290]

SENATOR SCHILZ: But maybe, maybe he'll give you the opportunity a little later.
[LR271 LR290]

SCOTT KNOBBE: All right. Can I ask a question to the Brand Committee board?
[LR271 LR290]

SENATOR SCHILZ: You could...well, you could hypothetically ask it, but we can't have
him answer. [LR271 LR290]

SCOTT KNOBBE: Hypothetically, how many board members are from outside of the
brand area? Three? [LR271 LR290]

RICK LEONARD: Zero. [LR271 LR290]

SENATOR HANSEN: Zero now. [LR271 LR290]

SCOTT KNOBBE: Zero. So the brand...people that own brands outside the brand area,
they cannot be on the board? [LR271 LR290]

SENATOR SCHILZ: Right. [LR271 LR290]

RICK LEONARD: All five members have to be owners of brands and reside within the
brand area. [LR271 LR290]

SCOTT KNOBBE: In the brand area. Okay. Okay. A question or a comment from before

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from the gentleman from Norfolk, having his brand on his father's cattle or vice versa, a brand costs \$50 for four years. That's \$12.50 a year. We're not asking anybody to stop branding. If Senator Davis' bill doesn't go through, it doesn't mean a lot because people are still going to brand out here. I am from the eastern part of the state and we have cattle in central Nebraska. I don't have a problem paying the brand fees. I think it's well-deserved out there. But us in eastern Nebraska, we don't necessarily need it. We take care of things ourselves. I cannot think of one steer we've had lost since 1996, since I've been back at the farm, and that steer jumped out and I have no idea where it went. And I don't think a brand would have stopped him or whatever. Being fair to one side of the state compared to the other, that's like buying ground in this school district compared to this school district. Things ain't always fair when you buy it. You can't go and switch the tax levies, in a sense. That's not the case all the time. There are places that need to get taken care of and there are places that don't. If we have cattle leave and get out, we call neighbors and tell them, hey, we're missing five head of black steers, yellow tags, they don't have any brand on them. Next thing you know, they end up near somebody's place. We go get them, bring them back. Saying that the checkoff dollar we lose over there in eastern Nebraska, I'm not saying it doesn't happen but it might be 1 out of 25,000 head, so we're looking to spend \$1.5 million on the first year to try and pick up \$5,000 worth of checkoff? That's bad money. That's no return on your investment, if there is that. Ninety-five percent of the people in eastern Nebraska do not want it. Us as Nebraskans and citizens of the United States in production agriculture, we need to be as efficient as we can. And being efficient as we can is controlling the rules and regulations we have. Because once we start getting overruled and overregulated and we have to pay more and more expense, we're dealing in it with the DEQ right now, that we get inefficient. And as a world market, we are in front right now. If we keep having more and more expenses, we start getting in the back of the pack. And I mean if we can't make a go of it where the brand law fits, then we probably need to take a look at doing something different. I mean if you raise the brand fee, in a sense that's one way, or raising the brand, price of the brand going up \$3 a year, you know, that's \$100,000 revenue. So I would say 95 percent of the people in eastern Nebraska

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do not want it and do not need it. Any questions? [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Knobbe. Any questions? Senator Johnson. [LR271 LR290]

SENATOR JOHNSON: It's not really a question. It's more of a comment. As I stated before, I grew up in the brand inspection area. I understand it and I believe in it. To follow up a little bit on his comment, I'm a member of the Saunders County Livestock Association, about 250 members. And we polled it a couple, three times, I think we've gotten a hold of everybody. There are 10 people within that group, 10 or 11, that want statewide. And it's the people that bring cattle into the brand inspection area and I think they see the value of it. But they also look at the, quote, inconvenience of it. So I'm not saying...you know, trying necessarily backing up your numbers. I support what we're doing here on this side, but that's probably what we're going to hear tomorrow afternoon is some of those comments. And I'm sure all of you are not going to be in West Point tomorrow. [LR271 LR290]

SCOTT KNOBBE: We pay brand out here in central Nebraska that we graze cattle on. We don't have one problem with it. It's a total different scenario when you're running 3,000 acres instead of 80 acres with 5,000 head, total different. I don't mind it. [LR271 LR290]

SENATOR SCHILZ: Thank you. Any other questions for Mr. Knobbe? Mr. Knobbe, thank you very much. And if you wouldn't mind...oh, I'm sorry. Senator Davis. [LR271 LR290]

SENATOR DAVIS: He had a question. I'm willing to take that if you want to ask me. [LR271 LR290]

SCOTT KNOBBE: So if anything doesn't go through, everything can stay the same,

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people can brand, people on the nonbrand area still can register a brand and show identification to their animals, correct? [LR271 LR290]

SENATOR DAVIS: Yes. [LR271 LR290]

SCOTT KNOBBE: Yes. So no one is asking anybody not to brand or buy a brand or anything like that. Everything will just stay the same. [LR271 LR290]

SENATOR DAVIS: Can I ask you a couple questions? [LR271 LR290]

SCOTT KNOBBE: Sure. [LR271 LR290]

SENATOR DAVIS: Do you brand the cattle that you ship to the west? Do you... [LR271 LR290]

SCOTT KNOBBE: We buy them and we send them in here, and we do ship. We do brand them. [LR271 LR290]

SENATOR DAVIS: You do brand your animals, even though you don't live within the brand area. [LR271 LR290]

SCOTT KNOBBE: Yes. [LR271 LR290]

SENATOR DAVIS: So you see that there's a value then to the brand. [LR271 LR290]

SCOTT KNOBBE: Out here. Any cattle we get in over in eastern Nebraska we don't brand. [LR271 LR290]

SENATOR DAVIS: And that's because...? [LR271 LR290]

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SCOTT KNOBBE: We don't see the need. [LR271 LR290]

SENATOR DAVIS: Are those cattle confined or how do you pasture those? [LR271 LR290]

SCOTT KNOBBE: They are confined, yeah. And I've got neighbors and friends that have cows and none of them brand, you know. And when we bring the cattle back to the eastern side of the state, last year when we shipped the brand man forgot about it. We had eight cowboys and four semis waiting there an hour. That's an inconvenience. [LR271 LR290]

SENATOR DAVIS: Thank you. [LR271 LR290]

SENATOR SCHILZ: Senator Wallman. [LR271 LR290]

SENATOR WALLMAN: Thank you, Senator Schilz. Yes, thanks for coming. I live in the eastern, nonbrand area, and a cattle buyer is about a mile from my place and he wants this brand bill. And one of the cattle feeders does too. I got five pretty good sized cattle feeders. And so a couple of them want it and a couple of them don't. And so why would a cattle buyer want this then? [LR271 LR290]

SCOTT KNOBBE: I don't know. That would be a good question. [LR271 LR290]

SENATOR WALLMAN: Yeah. Thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, Senator Wallman. Any other questions? If not, Mr. Knobbe, thank you for your testimony. We appreciate it. If you wouldn't mind filling out the sheet, that would be great. Next testifier, please. Good evening. Welcome. [LR271 LR290]

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KURT JOHNSON: Hello. Kurt Johnson, K-u-r-t J-o-h-n-s-o-n. And I wholeheartedly support his bill. And earlier you made a comment about the other bill that's also up, and I will just say this. We had a neighbor that mistakenly took a calf to his sale barn, which if the other bill passes would be out of the brand area now. So I guess the other bill, to me, you're just moving the...you're moving the problem is all you're going to do. So I guess that, to me, doesn't make any sense, to move the problem. Just make it all statewide and make it simple. And myself, I would gladly pay the extra \$1 per head. And that's about all I got to say. [LR271 LR290]

SENATOR SCHILZ: Thank you, sir. Any questions of Mr. Johnson? If not, thank you for your testimony. Appreciate it. Next testifier. [LR271 LR290]

BILL THIELE: My name is Bill Thiele. I'm from Clearwater, Nebraska. And I thought this might be the right time, when we're talking about people from the east possibly having a slightly different perspective on the bill. [LR271 LR290]

SENATOR SCHILZ: Sir, could you say and spell your name, please? [LR271 LR290]

BILL THIELE: Yes. B-i-l-l T-h-i-e-l-e. [LR271 LR290]

SENATOR SCHILZ: Thank you. [LR271 LR290]

BILL THIELE: First of all, my first note might be that we're talking about eastern half of the state, western half of the state. I happen to kind of almost from a different planet. I am the president of the Nebraska State Dairymen's Association and this came to our annual meeting this spring. We knew that it was probably going to be coming up for debate and would be hearings held in Lincoln. We had extensive discussion at that time. First of all, most of the dairymen are very glad that it appears that the beef people and the dairy people seem to be getting along a lot better than what they did in the past and we're moving closer on our goals. However, and I might add that we didn't have

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anybody in attendance that was against the beef checkoff. After all, every animal is either going to end up on your plate or it's going to end up dead at home, one way or the other, and so that only makes sense, to promote your product. But as far as the brand inspection, we're kind of at completely different ends of the spectrum. The way that dairy people work is completely different. Now personally, we happen to run beef cattle and we run Holsteins and we milk around the clock, 365 days a year. We also buy and sell replacement heifers. Part of our daily routine...well, let me back up. With our beef herd, we find it pretty easy. That's kind of a piece of vacation for us. We calve them, we move them to pasture, we bring them home, we sell the calves. It's a little different with the operation of a dairy or with the replacement heifers. We're almost in a position of having animals coming in every day and going out. Typically, we may make three or four trips to Yankton to Cimpl pack in a month. Typically, there will be some animals that you know are needed to go, but you might get up in the morning and you get there and there's an animal that needs to go that day. And in order to get her sold that day, and she's a perfectly legal and edible animal to be slaughtered, but she needs to be there before 9:30 that morning. I questioned how it's going to work for the brand inspectors to meet our needs. How are they going to be able to respond on a daily basis at short notice? We also, at our delegation meeting, we've dealt with people who show a lot of cattle. And part of their problem was right now, yes, they would be in favor of abolishing it altogether, the brand inspection, but if then, then they only felt there was a need for at the date of sale or slaughter. So that's, again, another perspective. I have a brother-in-law that definitely is in the beef business. And he is in Antelope County, pastures cattle in Holt County, Wheeler County, and has cattle in South Dakota. So his issues become quite complex. And especially with dairies, as they get bigger, your issues of moving cattle daily become a whole nother pot to deal with. So I don't necessarily have the answers to it, but I think it creates a lot of questions on is it worthwhile. Is there a need for brand inspection? I would hazard a guess, just based on the polling I've done in the last week, that there is far less than 1 percent of all the cattle, or Holsteins that are being milked at least, that are carrying brands in the state. And again, we're on the eastern half of the state. And with our beef cattle, we do the same

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thing. We brand them. We very much understand the need for them. They go into Wheeler County and we deal with those and it's all good. But it's two different issues, other than them ending up on the plate that we eat. What happens on a day-to-day basis is going to create some problems if we just blanket the state and say everybody pays every time you market cattle. And yet, if we can't control what goes out of state to the packing plants, there's not going to be any collections of anything or any checks and balances there of what's happening. If you don't have to inspect them before they leave your place and you go into South Dakota, nobody is proving one way or another whether I butchered a cow that was mine or it was my neighbors. Not a lot of answers, but I've got a lot of questions. Want to thank you for your time. [LR271 LR290]

SENATOR SCHILZ: Great. Mr. Thiele, thank you very much. Any questions? Senator Davis. [LR271 LR290]

SENATOR DAVIS: I've got a few. This is just for my own purposes and I don't want you to feel like you're being put on the spot with this. But you take these slaughter cattle to the packing plant in Yankton. Is that right? [LR271 LR290]

BILL THIELE: Yes. [LR271 LR290]

SENATOR DAVIS: So what kind of documentation do you have to have to do that? [LR271 LR290]

BILL THIELE: We just sign our name when we dropped them off so they get the check back to us. [LR271 LR290]

SENATOR DAVIS: So how do they know that they're your cattle? [LR271 LR290]

BILL THIELE: As far as I know, they don't know. [LR271 LR290]

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SENATOR DAVIS: So basically it's kind of a word of mouth arrangement then. [LR271 LR290]

BILL THIELE: Yes. [LR271 LR290]

SENATOR DAVIS: Okay. And that seems to be okay with you. [LR271 LR290]

BILL THIELE: Apparently, yeah, we don't have a problem with it, obviously. They're sending us a check. (Laughter) [LR271 LR290]

SENATOR DAVIS: Doesn't it seem strange to you that you could be dealing with thousands of dollars and have nothing else except, oh, these are his cattle, he brought them in, or his employee brought them in? [LR271 LR290]

BILL THIELE: Does it seem odd? Yes, it does. But again, I would voice the same opinion as the previous speaker that in our personal business, we don't understand the value of it. We can't place a monetary value to it, therefore, we don't brand. We don't have a need. They're in confinement or they're in our pastures. We're not dealing with thousands of acres and very few neighbors. [LR271 LR290]

SENATOR DAVIS: I understand. You do understand that there's nothing in statute that requires the brand. It's just essentially the proof of ownership. [LR271 LR290]

BILL THIELE: I understand. Yes. [LR271 LR290]

SENATOR DAVIS: And so I think that's important. Have you talked to people who are within the brand area? How do they deal with it? There are dairies in the west. Do you know how they deal with that? [LR271 LR290]

BILL THIELE: I can't speak to it, no. I would assume that they deal with it just the same

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as anybody with beef cows, if they move it. I have spoke to people that show cattle and they might pay for brand inspection, a brand inspector to come to the place to inspect one or two animals, and they might get inspected 20 or 30 times in their lifetime for the same animals when they go to a show in one county. And before they can bring them back home again, then they got to pay again. [LR271 LR290]

SENATOR DAVIS: Thank you. [LR271 LR290]

SENATOR SCHILZ: Any other questions? Mr. Thiele, I have a question for you. When you talk about cattle moving in the dairies and stuff, are most of...you alluded to the fact that you're shipping them to the packer or taking them to the packer. What other movements are you doing with those dairy cattle that wouldn't necessarily fit into that? Because as I start to look at this, what other scenarios do you have where you're moving those cattle? [LR271 LR290]

BILL THIELE: We do private treaty sales within the state. [LR271 LR290]

SENATOR SCHILZ: Uh-huh. [LR271 LR290]

BILL THIELE: Now we wouldn't have a problem with paying that. The problem with it is the implementation of it. Very, very seldom does one group of animals come in, in all one size, or all go out at the same time. You might be dealing with hundreds of head of animals that get moved back out to the next owner from multiple sources. [LR271 LR290]

SENATOR SCHILZ: Right. [LR271 LR290]

BILL THIELE: And in addition to that--trying to think how to answer your question here the best--can get a little...can also be interesting that, okay, so you may have a group of cattle, say there's 300 head out there, okay, and then you're sending out 20 head to

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them. Now typically for us, for what we do with our beef cows anyway, we know when that's going to happen. Might be next week, it's on Tuesday, or we're going to do it in a few days and you can call your brand inspector and you can work with that. Somebody may come to us tomorrow and pick out of that head, 300 head cattle, and want 20. And when we can get around...we hate to have to sort those out, handle those separately for four or five days. Or to have to sort multiple times, if you have two or three buyers in, all in those days, how are you going to handle that? It becomes a little bit more complex. [LR271 LR290]

SENATOR SCHILZ: Right. [LR271 LR290]

BILL THIELE: It's very easy if you're just shipping to a sale barn. [LR271 LR290]

SENATOR SCHILZ: Right. And so I guess then, as I look at this, you know, it's one thing to have a feedyard where you're feeding beef cattle and then those are basically going for slaughter, but if like you say, you come out, you inspect your cattle in the morning and you see some that need to go or whatever, like that, that inspection program may not necessarily work for you because you may not be sending those cattle strictly to slaughter. Correct? [LR271 LR290]

BILL THIELE: That's absolutely true. It may or may not be well known in this room, but we have herds of dairy cattle that are over 10,000 head in the state, and I can guarantee you that will be a big, big issue for that person. [LR271 LR290]

SENATOR SCHILZ: Let me ask the question about heifer development then as we look at that, because then you run into...and that could actually be in a feedyard. And I know it's a little bit different with that. You probably have some time. But you could run into the same issues there as with...as the cattle that are actually in production on the dairy. Correct? [LR271 LR290]

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BILL THIELE: Absolutely. In fact, that's probably the direction of the industry, is going to heifer raising and heifer development programs in feedyards. [LR271 LR290]

SENATOR SCHILZ: Yeah. Well, you sure see it all the way around, and so I appreciate it. Thank you. Anybody else? Senator Harr. [LR271 LR290]

SENATOR HARR: When you sell to...up in Yankton, do you get a 1099? [LR271 LR290]

BILL THIELE: Yes. [LR271 LR290]

SENATOR HARR: Okay. And are you...is that because you're an LLC or are you an Inc.? Are you a corporation? [LR271 LR290]

BILL THIELE: We're a general partnership. [LR271 LR290]

SENATOR HARR: You're a general partnership. Okay. All right. [LR271 LR290]

SENATOR DAVIS: I've got one more. So with kind of the complicated process that you have then, how do you keep track of what you have to send to the Beef Council? How do you handle that? [LR271 LR290]

BILL THIELE: I'm sorry. Could you repeat that? [LR271 LR290]

SENATOR DAVIS: How do you keep track of what you have to send to the Beef Council for the checkoff? [LR271 LR290]

BILL THIELE: To be quite honest, the only thing that's going there is what's going through the barn. But let me reiterate, we have no problem with paying that on everything as long as we can manage it from a daily work standpoint. In fact, it's a piece of cake. If somebody is standing there when we're ready to sell, it's great. If we're

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delayed holding animals that need to move today, then we've got a problem. [LR271 LR290]

SENATOR DAVIS: Thank you. [LR271 LR290]

BILL THIELE: A dead animal doesn't bring in any proceeds. [LR271 LR290]

SENATOR DAVIS: It's on the same way on the ranch, believe me. [LR271 LR290]

SENATOR SCHILZ: Thank you, Senator Davis. Any other questions? Mr. Thiele, thank you for your testimony. Appreciate it. [LR271 LR290]

_____: Does Cimpl's take the beef checkoff off? They do for us. [LR271 LR290]

BILL THIELE: Yes. [LR271 LR290]

_____: So all that...all those cattle get checkoff. [LR271 LR290]

BILL THIELE: Absolutely, which is where most end up. [LR271 LR290]

_____: Right. [LR271 LR290]

SENATOR SCHILZ: Thank you. Appreciate it. Thank you, Mr. Thiele. Next testifier, please. Sir. [LR271 LR290]

WARREN SNODGRASS: Just brief on what Bill is talking about, Warren Snodgrass, I run along with Bill Thiele, from Orchard. [LR271 LR290]

SENATOR SCHILZ: Can you spell it, please? [LR271 LR290]

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WARREN SNODGRASS: W-a-r-r-e-n, Snodgrass, S-n-o-d-g-r-a-s-s. I'm you glad you got somebody out of the concrete city to come out here. I'm impressed. I've always called him once in a while. Reason, you talk about branding, I think our dairy industry is just about done with that. I don't think we'll be able to. They're dictating to what we can do in the dairy industry so bad anymore, we have activists coming out, that's why we really watch who comes in. And the brand, to us, is not going to be meaningless, I'm sure, down the road. And I imagine the rest of these people out here, it's just a matter of time before they come to haunt us, too, with what we can do to these animals, branding stuff. I know they're telling us, even saying in five years, I can't bob my cows in my dairy anymore, because I run a freestyle barn with a flush system, and we have to get the tails off. Otherwise, they're just covered with crap from one end to the other. And that's all I wanted to point out. It's just you were talking about, you know, what we can do with brands, what ownership we have up there. We have to just take them and they sign the ticket and go. I don't know what else we can do. So thank you. [LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Snodgrass. Any questions? Seeing none, thank you. Could you please fill out a sheet for us? Thank you, sir. [LR271 LR290]

WARREN SNODGRASS: You bet. [LR271 LR290]

SENATOR SCHILZ: Next testifier. Going once. Welcome. [LR271 LR290]

GORDON DVORAK: Gordon Dvorak from Atkinson, Nebraska, G-o-r-d-o-n D-v-o-r-a-k. I can do that pretty good because they always have you do that at the hospitals anymore. My ranch was homesteaded in 1880 and luckily we're in the brand area. We branded all our cattle as long as I can remember and plan to continue that in the long term. But the brand itself has been a very important item for us. We've recovered stolen cattle. We've recovered a lot of stray cattle. Have also recovered a lot of people's strays that got into our herds and was able to, with the brand inspector, find out who they belonged to and send them back to their correct owners. I think that's been pointed out

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quite a bit here that in the last 10-15 years, there's a lot of cattle coming from the east, out of the brand area into our areas, for summer grazing. And then when they leave, we have to have them brand inspected when they're loaded on the trucks. These cattle have different brands than what we're used to. Like was pointed out before, the neighbors know their neighbors' brands, so it's not that big of a deal. But these cattle have different brands from who knows where. We've had several times where somebody's cow or a steer was in with another group of steers that the brand inspectors were able to sort out and straighten out. It's a very economic use for us, the brands. I would like, yeah, it would be great to have the whole state as a brand area, but that raises a question to me. If this bill would fail, are we going to be...have people come back on us in the eastern part of the state, decide they want to take the brand away from the whole state? And numberwise, we would be on the short end of the stick if that would happen. That's probably my only concern with this bill. Otherwise, I think it's great. But we do need to look at the whole industry and the long term of everything. So that's the only question I have with it; otherwise, I'm 100 percent for it. Thank you.
[LR271 LR290]

SENATOR SCHILZ: Thank you, Mr. Snodgrass. Any questions for Mr. Snodgrass?
[LR271 LR290]

SENATOR HANSEN: No, this is... [LR271 LR290]

SENATOR HARR: It's Dvorak. [LR271 LR290]

GORDON DVORAK: Dvorak. [LR271 LR290]

SENATOR HANSEN: ...Mr. Dvorak. [LR271 LR290]

SENATOR SCHILZ: Mr. Dvorak. I'm sorry. [LR271 LR290]

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GORDON DVORAK: That's fine. [LR271 LR290]

SENATOR SCHILZ: I'm getting out of order. Mr. Dvorak, excuse me. If you would please fill out a sheet then we will make sure we get your name correctly in the record anyway. [LR271 LR290]

GORDON DVORAK: Okay. [LR271 LR290]

SENATOR SCHILZ: I apologize. Excuse me. Next testifier, please. [LR271 LR290]

BRENDA MASEK: Hello. Please bear with my cough here. Brenda Masek, it's M-a-s-e-k, producer from Purdum, Nebraska. I'm also the Nebraska Cattlemen's Sandhills Affiliate president at the moment. And I guess I want to...not going to reiterate a lot of things that I already said I agreed with most people that were testifying. A couple things that I wanted to say. The question was, why do you think that the cattle buyer is interested? It's proof of ownership. It's like title insurance when you go buy a piece of property. That would be my opinion on that. Ear tags can be cut out. ID tags can fall out. The thing...oh, the big thing that I wanted to say was we were talking about what's the price you put on a brand. There's no price you can put on a brand. It's priceless to us in this area. It's your logo. It's your trademark. It's your monogram, and that's hard to explain to some people that haven't been brought up with it. Pam Schmitz, you know, she's very passionate about that and that's the way the rest of us are that have a brand. We got them when we were young. The one I've got has been in the Bestol family name since 1913 I think. And my brother just about didn't get it renewed one year and he just about got kicked out of the family. But so there's no value, I mean in say that cow, say you lost a cow or the cow is missing. It's not just the price of that cow. What's your future income you just lost? So it's more than just that. You know, it's the fact that somebody else has got the cow and is getting income from it. There's more than just the price of that one individual cow. Other things: I've been talking to a lot of people in our area about this in the last few days. One of the testimonies I got from one of my

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veterinarians today was health papers, he says, if we could eliminate having to go down and write on every single Bang's tag. You know say just on 100 head, you got to run them all the way through. No, they've got...their ranch-owned. They've never been off, you know, never been owned by anybody else but this one brand. Put that down, put the ID number that applies to that brand on there, you're done. You don't have near the paperwork that you do if you've got to run...and that's just saying 100 head running through the chute and read their Bang's tags numbers, because what's the...I mean, I'm sorry, everybody has got either a white or a yellow ear tag. You know, there's only so many colors you can get out there. But that was one thing he wanted to bring up, that that would make their lives much easier and that would have to be with veterinarians in the eastern part of the state could make them there much more time efficient. And a lot of the times these aren't dishonest mistakes where you find calves. A lot of times it's an honest mistake. I mean I fattened one of my neighbor's calves for home butcher one time (laugh) and didn't find it until they went to the local butcher shop and went, hey, this isn't yours, you know. But you work it out. It's not that big a deal because it was branded, no tags. And just the other...one other thing, yeah, it isn't going to fix all the problems. It's not going to fix the state lines. It's not going to fix all this. But if we just try to do our own...clean up our own messes and then maybe other states...maybe it will work, other states will follow. And we can maybe start a trend. And the only other thing is individual animal ID for every single animal is just...it's just not feasible. I mean on our...I don't see...I mean I know that we're trying to get there, but I think it would make a lot more sense to worry about getting all of our illegals with legit Social Security numbers before we start giving each one to our cows. (Laughter) That's all I've got. [LR271 LR290]

SENATOR SCHILZ: Thank you, folks. Thank you, Ms. Masek. Any questions for Ms. Masek? Seeing none, thank you for your testimony. Appreciate it. [LR271 LR290]

BRENDA MASEK: Thank you. [LR271 LR290]

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SENATOR SCHILZ: Next testifier, please. [LR271 LR290]

JOHN KESTER: I am John Kester from Clearwater, Nebraska. [LR271 LR290]

SENATOR SCHILZ: Mr. Kester, could you please spell your name? [LR271 LR290]

JOHN KESTER: John K. and then Kester, K-e-s-t-e-r. [LR271 LR290]

SENATOR SCHILZ: Thank you, sir. [LR271 LR290]

JOHN KESTER: And most of the money that is taken in, in the western part of the state, is put back into the, you know, is paid the inspectors and the gas and stuff. I mean I think maybe I don't see the reason why everybody out here wants the eastern part to do it. I mean I don't see what their advantage is. I guess that's my question: What is their advantage? The eastern part of the state does not want it. And I'm a dairy producer with Bill, too, I come with Bill, but I just don't...I mean it's really going to give the dairy people a lot of grief and I don't see the advantage. And the feedlots and stuff out there in eastern Nebraska, they're not, you know, thousands and thousands of acres. And I don't see what good it's going to do for the western part to force the eastern part to do that. And the eastern part is not trying to force the western part to not do it. You know sometimes what works in a city doesn't work out here, and I don't think it's going to work in the eastern part of the state. And I don't know why the western part of the state wants to force it on us. I guess that's my...I guess I'd like to ask you that. I mean... [LR271 LR290]

SENATOR SCHILZ: Sir, we...the testifiers do not have the opportunity to ask the senator. [LR271 LR290]

JOHN KESTER: Okay. [LR271 LR290]

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SENATOR SCHILZ: If he would like to let you,... [LR271 LR290]

JOHN KESTER: Okay. [LR271 LR290]

SENATOR SCHILZ: ...he could talk with you later or we'll see what happens. [LR271 LR290]

JOHN KESTER: Okay. [LR271 LR290]

SENATOR SCHILZ: But appreciate that. [LR271 LR290]

JOHN KESTER: Okay. [LR271 LR290]

SENATOR SCHILZ: Anything else? [LR271 LR290]

JOHN KESTER: That's...no, that's it. [LR271 LR290]

SENATOR SCHILZ: Okay. Appreciate it. Are there any questions for Mr. Kester coming up? If not, thank you very much. Appreciate it. [LR271 LR290]

JOHN KESTER: Okay. [LR271 LR290]

SENATOR SCHILZ: The next testifier, please. Going once. Anyone else? This is your last chance possibly. Come on up then. There we go. Figured maybe saying last chance might get somebody to go. Welcome, sir. [LR271 LR290]

DUSTY HUNT: Thank you. My name is Dusty Hunt, D-u-s-t-y H-u-n-t. I didn't really have any questions. I just wanted to go on what they were saying for. We've went through the past, we've all got traditions that we do. It's the same reason we wear our cowboy boots when we're riding our four-wheeler. We don't need them in the stirrups, but we're still

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wearing our boots. We still brand because we've done it for hundreds of years. And the present, I guess you could say, this guy has received his cattle back, that guy has received his cattle back on both sides of the lines, so we've touched the fairness issue for the present. My question is, though it's not really a question, it's just something to think about with this bill is the future, what is the statewide brand going to do for someone like me? It's going to limit whether, you know the past, the cattle leaving or the cattle going, it's going to erase all that. My dad took in cattle for years from out of the brand area, and like many of them have said here, they're using it. And then several years ago, and I'm not quite old enough to remember it but Locate In 48 I do remember. They tried to do things where, in the government and stuff, where they could have a traceability. And we can trace brands in the west end of the state. I don't know how well, I'm not up on that, but we can. And what the man from Norfolk said, Locate In 48 was too expensive so they went with the brands. I think that is obviously the cheapest route for future reference. I don't know why they would be against something that they're already trying to implement it, traceability. I think a brand is a very traceability tool, in my opinion, because like Brenda said, you can't...we already have Bang's tags, we have tattoos, and I don't understand the concept of not using the whole state. That's always been a wonder to me, too, if we would just have the whole state under it. Why only half the state? But I just want to know what the future is, if we're just going to keep fighting the line here and fighting the line there. And some are using it because it's convenient, but they only use it, you know, if it's that inconvenient or they don't want it, but I know a lot of renters from back east that were using it. But yet we had to supply it. I don't, like they said, you don't have to brand at all. To the best...I mean I...to the best of my knowledge, I've always grew up you brand them so you can find them. But to the best of my knowledge, you don't have to brand at all. You don't have to buy a brand to come when you rent grass. You know, it's working. We're just saying that it does have some glitches. We need to just go over the whole state so there won't be so many glitches, you know. It's a future thing. We've looked at the past. It has worked for many years and it's a tradition thing. But it's a future thing too. It's either going to live or die, you know? It's going to grow or die. You know, like they said, they're not trying to make us quit it,

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and that's true. But on the other hand, it is a problem for us with the lines. That's why we're asking to do it. So that's all I wanted to say. [LR271 LR290]

SENATOR SCHILZ: Mr. Hunt, thank you. Any questions? Seeing none, thank you for your testimony. [LR271 LR290]

DUSTY HUNT: Thank you. [LR271 LR290]

SENATOR SCHILZ: Any other testifiers? [LR271 LR290]

SCOTT BOETTCHER: Can I repeat something or... [LR271 LR290]

SENATOR SCHILZ: Come on up, we'll give you a chance. Is there anybody out...let's just ask a question. Is there anybody else that wants to come up and testify? Just so we know, raise your hand. Is there one? Okay. Go ahead, sit down. [LR271 LR290]

SCOTT BOETTCHER: Scott Boettcher again. [LR271 LR290]

SENATOR SCHILZ: And could you spell it once more, please? [LR271 LR290]

SCOTT BOETTCHER: B-o-e-t-t-c-h-e-r. On these dairies, saying that it would be a problem for them, I guess my feeling there would be they don't have to brand these cows. And I mean for their milk production, they've got to have some kind of ID deal. You're not going to keep a cow there that's not producing milk when that's your business. So I mean I would think they would have an ear tag in this cow or whatever that would work the same as a brand, you know, for identification. But they don't have to brand that cow, just when they sell them. That's all I guess. That's all. [LR271 LR290]

SENATOR SCHILZ: Okay. Thank you. Any...now that he stepped up here, we get a chance at you again. Uh-oh, Senator Bloomfield. [LR271 LR290]

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SENATOR BLOOMFIELD: Yeah, I'm just going to try to answer your question there a little bit. I think what the dairy people are referring to is they have one that needs to go that day. They have to wait for the inspector to get there. And where we like to see...the inspectors like to see a 48-hour notification, they're not going to get that. Whether they're branded or not, I think it's the concept of when they'll be... [LR271 LR290]

SCOTT BOETTCHER: Well, if the whole state is, they're not going out of a brand area. [LR271 LR290]

SENATOR BLOOMFIELD: In his case, he was going to South Dakota to the packer. [LR271 LR290]

SCOTT BOETTCHER: But if the inspector was at the packing place... [LR271 LR290]

_____: It's out of state. [LR271 LR290]

SENATOR BLOOMFIELD: This bill doesn't do that, though. [LR271 LR290]

SCOTT BOETTCHER: Yeah. Okay. [LR271 LR290]

SENATOR SCHILZ: Thank you. Any other...? Thank you, Mr. Boettcher, for the second time. We appreciate it. [LR271 LR290]

JOE PONGRATZ: Can I come back up or is that just one time, you're done? [LR271 LR290]

SENATOR SCHILZ: I don't want to get into that, but... [LR271 LR290]

JOE PONGRATZ: I just had a real quick question about something. [LR271 LR290]

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SENATOR SCHILZ: I tell you what, we can...if you want to talk to individual senators afterwards, that would be fine. That would be fine. And there is another hearing tomorrow if you have the chance. Any other new testifiers? Anyone else? Anyone else? Tell you what, go ahead but this...if there's no one else, and I'm going to ask the question one more time, we'll give you your last chance and then we'll go on. Come on up. [LR271 LR290]

JOE PONGRATZ: My name is Joe Pongratz. If you need me to spell it again, I will, but... [LR271 LR290]

JAMAICA ERWIN: I do. [LR271 LR290]

SENATOR SCHILZ: Please. [LR271 LR290]

JOE PONGRATZ: P-o-n-g-r-a-t-z. [LR271 LR290]

JAMAICA ERWIN: Thank you. [LR271 LR290]

JOE PONGRATZ: As far as the dairy goes, what do the dairies on the west side of the line do right now when a cow needs to go right now? There's dairies on the west side of the line. So my question is, I understand there's probably more dairies on the east. I understand that. But there was a dairy a mile and a half from us until they went belly up, but what did he do when he had to...woke up one morning, went out to the lot, and there was one that had to go? He still had to deal with proof of ownership. This isn't about...this bill is not about branding cattle. It is about proof of ownership. That's just the way it is. I mean I'm sorry. Both sides are getting it confused on... [LR271 LR290]

SENATOR SCHILZ: Right. (Laughter) [LR271 LR290]

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JOE PONGRATZ: ...they're bringing up the brand and the brand. It's proof of ownership and ear tag, radiofrequency, whatever you want to call it. I mean it's proof of ownership. But I know there's dairies on the west side of the line, so they're dealing with this every day. Feedlots on the west side of the line, I mean, if I'm not mistaken, some of you own feedlots. You guys deal with it every day. So cow-calf guys deal with it every day. So I mean I'm not saying pro or against. I'm just saying that the...our state isn't...I mean that line is not that divided that all of a sudden you cross the imaginary line and all of a sudden the cow-calf guy is totally different than the guy on the other side, or the dairy is totally different on the other side. We essentially have the same operations, so how are...what is the difference between the west and the east that the west is getting along with it and dealing with it and the east isn't? That was just my...you know, sitting back, I'm asking, well, what's the dairy in the west do. So that's it. [LR271 LR290]

SENATOR SCHILZ: Thank you. Senator Hansen. [LR271 LR290]

SENATOR HANSEN: I don't have a question for you, but I do have a comment. Dairies can move. Dairies are moving. Dairies are growing up everywhere in Kansas and in Texas. That's what they do. We're losing them. [LR271 LR290]

JOE PONGRATZ: Okay. [LR271 LR290]

_____: One just moved to Holt County. [LR271 LR290]

SENATOR SCHILZ: Okay. Thank you, guys. [LR271 LR290]

SENATOR HANSEN: They move. [LR271 LR290]

SENATOR SCHILZ: Thank you. Yeah, thank you, Mr. Pongratz. Appreciate it. At this time, I would like to thank everybody for coming. We had a great discussion. We appreciate all your input and all of your willingness to come in here and talk about it. We

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appreciate it and thank you very much, and we hope to get back to Ainsworth sometime in the future. Have a good evening, folks. [LR271 LR290]